



USE OF THE BASE OF THE PYRAMID MODEL TO ACHIEVE THE
UNITED NATIONS MILLENNIUM DEVELOPMENT GOALS: A
STUDY OF THE B4MD PAPUA NEW GUINEA SOUTHERN
HIGHLANDS PRODUCE POVERTY PROJECT

A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy

Rodney Peter Castricum
MBus (International Business)

School of Management
College of Business
RMIT University

July 2015

Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis/project is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

Rodney Peter Castricum

Date of submission

July 14th, 2015

Acknowledgements

I would like to express my thanks and gratitude to my two joint supervisors, Professor Kosmas Smyrnios and Dr. Caroline Tan and for their guidance and supervision in the course of study. The advice given has been most valuable in the development of the thesis.

I would also like to thank all the participants from Melbourne based non-governmental organization, Business for Millennium Development, who provided unwavering support for the thesis and tremendous help vital for the data collection stage. Additionally, special recognition also goes to Dr. Larissa Bamberry and Dr. Keith Toh for their assistance in the completion of the thesis. Their efforts of understanding and direction is truly appreciated and valued.

Finally, I would like to acknowledge my heartfelt thankfulness and indebtedness to my parents without whom, the completion of the thesis would not have been possible. They have provided much support and encouragement in the course of the research, making it a satisfying experience for the author.

Table of Contents

Declaration of Originality	Error! Bookmark not defined.
Acknowledgements	i
Table of Contents.....	iii
List of Figures	vi
List of Tables.....	vii
Abbreviations.....	viii
Summary	x
Chapter 1 Introduction	1
Background	1
Rationale	5
Research Objectives	12
Thesis structure	13
Chapter 2 Literature Review	16
The Millennium Development Goals	17
Corporate Social Responsibility	19
The Base of the Pyramid	21
Strategies Associated with Poverty Alleviation Models	23
<i>Government Strategies.....</i>	<i>24</i>
<i>Not-for-Profit Poverty (NFP) Model</i>	<i>26</i>
<i>BoP Models</i>	<i>27</i>
Social Entrepreneurship	33
Social Enterprise Definitions	34
Social Enterprise Conceptualization	36
<i>Stakeholder Consultation.....</i>	<i>37</i>
<i>Encouragement building.....</i>	<i>38</i>
<i>Market access strategies.....</i>	<i>38</i>
Social Entrepreneurship Orientation	39
<i>Social Opportunity Recognition.....</i>	<i>40</i>
<i>Entrepreneurially Virtuous</i>	<i>41</i>
<i>Judgment Capacity</i>	<i>41</i>
<i>Entrepreneurial Orientation (EO)</i>	<i>41</i>
<i>Learning Orientation.....</i>	<i>42</i>
BoP: Key Issues	46
<i>Local Environment</i>	<i>46</i>
<i>Strategic Alliance Building.....</i>	<i>47</i>
<i>Exogenous Cross-Sector Partnerships</i>	<i>48</i>
Social Business Enterprise Co-creation Capabilities	49
<i>Bricolage</i>	<i>50</i>
<i>Knowledge Management</i>	<i>51</i>
<i>Trust.....</i>	<i>52</i>
Chapter 3 Theoretical Conceptualization	54
Institutional Theory, Contingency Theory, NRBV, and Dynamic Capabilities	54
Institutional Theory.....	54

Contingency Theory.....	58
Natural Resource Based View (NRBV).....	65
Dynamic Capabilities.....	68
Conclusion	77
Chapter 4 Methodology	81
Research Paradigm.....	81
<i>Qualitative Research</i>	81
<i>Constructivist Ontology</i>	82
<i>Interpretivist Epistemology</i>	83
<i>Application of the Logico-Deduction Approach to Theory Development</i>	84
<i>Case Study Research</i>	86
<i>Purpose of Case Study Research</i>	86
<i>Case Research: Validity and Reliability</i>	87
Construct validity.....	87
Use of multiple sources of evidence.....	87
Establishing a chain of evidence	88
Key informants review draft case	88
External validity and internal validity	88
Reliability.....	88
<i>Case study types</i>	89
<i>Theory to Action: Applied Research and Formative Evaluation</i>	90
Method.....	91
<i>Case: B4MD's HFP Project</i>	91
<i>Procedures</i>	92
Interviews.	92
Interview Protocol.....	92
Research Questions	93
<i>Data Analytical Procedures</i>	95
Verification.	95
Reporting of Findings	95
Chapter 5 Identification of a Social Business Enterprise.....	97
Case Synopsis	97
Introduction.....	98
Business for Millennium Development (B4MD)	100
The UN Millennium Development Goals (MDGs).....	101
UN Call-to-Action: Corporate support to achieve the MDGs.....	102
Base of the Pyramid (BoP): A business model of co-invention to achieve the MDGs	103
B4MD: A philosophy of Co-creation by BoP Protocol Utilization.....	103
Corporate Social Responsibility, B4MD and the MDGs	104
Social Entrepreneurship: Its importance to achieving the MDGs	105
A Social Entrepreneurship Venture: the B4MD MDG Project in Papua New Guinea	106
Social Entrepreneurship Triggering International Social Business Enterprises	107
Social Business Enterprise (SBE) Construct.....	108
Market Entry Enabler (MEE).....	109
<i>Communication</i>	109
<i>Empowerment</i>	111
<i>Strategic Flexibility</i>	112
<i>Strategic Bridging</i>	114
Social Entrepreneurship Orientation (SEO)	116

<i>Social Opportunity Recognition</i>	116
<i>Entrepreneurially Virtuous</i>	116
<i>Judgment Capacity</i>	117
<i>Risk Taking</i>	118
<i>Proactiveness</i>	119
<i>Innovativeness</i>	120
Learning Orientation (LO).....	122
<i>Commitment to Learning</i>	122
<i>Shared Vision</i>	124
<i>Open Mindedness</i>	124
Conclusion.....	126
Chapter 6 Australian MNC Consortium Fundamentals for MDG Progression	127
Case Synopsis.....	127
Introduction.....	127
The Social Business Enterprise Connection to Advancing the MDGs in a Developing Country.....	129
Environmental Resources and Infrastructure.....	130
Consortium Building Capability.....	132
Foreign Supply Chain Partnerships.....	134
Conclusion.....	136
Chapter 7 Co-creation Capability leading to Value Outcomes for an Australian Consortium	138
Case Synopsis.....	138
Introduction.....	138
Environmental Resources and Infrastructure and Co-creation Capability Associated to Advancing the MDGs in a Developing Country.....	140
Co-creation Capability.....	141
<i>Bricolage Capability</i>	143
<i>Collective Efficacy Capability</i>	145
<i>Knowledge Creation Capability</i>	147
Value Outcomes for a Multinational Consortium.....	150
Conclusion.....	154
Chapter 8 Discussion	156
Social Business Enterprise.....	157
The Pivotal Role Played by a Consortia of Foreign Multinational Companies.....	159
Co-creation Capability with the Economically Disadvantaged Communities.....	161
A BoP poverty MDG conceptual model of Social Business Enterprise.....	163
Comparisons to Related Theories and other BoP Models.....	164
Limitations.....	166
Implications for Research.....	168
Implications for Theory.....	170
Implications for NGOs and MNCs.....	172
Implications for Government Policy.....	174
Critical Insights.....	176
Appendix 1 - Interview Protocol for B4MD Executive Board Members	195
Appendix 2 - Interview Protocol for Reverend Tim Costello (AO)	198
Appendix 3 - Consent Form	201
Appendix 4 - Plain Language Statement	202

List of Figures

Figure 2.1- The London (2007) BoP Model.....	32
Figure 2.2 - Social Entrepreneurship Orientation (Mort et al., 2003)	39
Figure 2.3 - Learning Orientation Characteristics (Sinkula et al, 1997)	43
Figure 3.1 - Relationships between Institutional Theory Elements	58
Figure 3.2 - Contingency theory fit – Bargaining Strategy Approach between Strategy and Structure	62
Figure 5.1 - Social Business Enterprise (SBE) Multidimensional Construct.....	125
Figure 6.1 - Australian MNC Consortium Fundamentals for MDG Progression	136
Figure 7.1 - Co-creation Capabilities	153
Figure 8.1. A BoP poverty MDG Conceptual Model of a Social Business Enterprise	160

List of Tables

Table 2.1 - Current Strategies and Models of Intervention for Mitigating Poverty	24
Table 2.2 - Four Principle BoP Conceptual Market-Based Poverty Models	28
Table 3.1 - Summary of four theoretical frameworks that contribute to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise.....	78
Table 4.1- B4MD Board Members Interviews for Each Case	93
Table 5.1 - Definition of Communication.....	110
Table 5.2 - Definition of Empowerment	112
Table 5.3 - Definition of Strategic Flexibility	113
Table 5.4 - Definition of Strategic Bridging	115
Table 6.1 - Definition of Environmental Resources and Infrastructure	132
Table 6.2 - Definition of Consortium Building Capability	134
Table 6.3 - Definition of Foreign Supply Chain Partnerships.....	135

Abbreviations

B4MD	Business for Millennium Development Ltd
BoP	Base of the Pyramid
CA	Competitive Advantage
CSR	Corporate Social Responsibility
CSV	Creating Shared Value
DC	Dynamic Capabilities
EO	Entrepreneurial Orientation
FDI	Foreign Direct Investment
HFP	Highlands Fresh Produce
IT	Institutional Theory
LNG	Liquefied Natural Gas
LO	Learning Orientation
MDG	Millennium Development Goal
MEE	Market Entry Enablers
MNC	Multinational Company
MTDP	Medium Term Development Plans
NFP	Not-for-Profit
NGO	Non-Government Organization
NRBV	Natural Resource Base View
OECD	Organization of Economic Cooperation and Development
OSL	Oil Search Ltd
PNG	Papua New Guinea
PRSP	Poverty Reduction Strategy Papers
RDT	Resource Dependence Theory
SBE	Social Business Enterprise

SEO	Social Entrepreneurship Orientation
UN	United Nations
UNDP	United Nations Development Programme
WBCSD	World Business Council for Sustainable Development

Summary

Within the framework of a qualitative case study of Business for Millennium Development (B4MD), an Australian-based non-governmental organization, this thesis examines a market-based co-creative model which provides multinational companies operating in developing countries with a framework to alleviate poverty. This research was undertaken in the context of B4MD's "Highlands Fresh Produce" Base of the Pyramid (BoP) project, based in the Southern Highlands province in Papua New Guinea. The success of a BoP project is dependent upon organizations such as B4MD to assemble and lead a consortium of multinational companies that leverage off each company's core business skills (e.g., Visy Board as experts in packaging; Agility Logistics Australia in logistics; and Goodman Fielder in food manufacturing). A consortium can build upon the existing resources (e.g., rich farming land) and infrastructure (e.g., road access) available in the country. In addition, collaboration with community elders (e.g., those who represent 20,000 women farmers in Papua New Guinea) to understand local practices and cultures is crucial to achieving social development and poverty mitigation. The value outcomes not only positively impact developing nations, but also help multinational companies expand into new markets. Moreover, it is not uncommon for multinational company employees to experience a sense of self-reward as an outcome of supporting local communities.

A review of the United Nations Millennium Development Goals provides a framework for action, by business, to achieve eight social development objectives by 2015 (Prescott & Nelson, 2003). Premised upon mutual value creation (London, 2007), the BoP concept falls under the overarching framework of the Millennium Development Goals. Consequently, this approach provides a foundation for the development of a BoP poverty Millennium Development Goal conceptual model of a Social Business Enterprise.

This research is important for four main reasons. First, it is critical to investigate new BoP frameworks for multinational companies owing to disappointing poverty alleviation efforts (de Soto, 2000; Hart & Sharma, 2006). For example, in 2005, a millennium development report advised that the achievement of the Millennium Development Goals would fail as a result of a continual business as usual mantra (Martens, 2005). Accordingly, in 2008, the United Nations devoted a renewed

momentum towards progressing the Millennium Development Goals, including a special emphasis on the role of business in social development (Seelos & Mair, 2005). Second, the present research provides guidelines for multinational companies and non-governmental organizations on how the poor, or economically disadvantaged communities, can act as producers within a value chain, as opposed to only consumers. Third, this research builds upon the London (2007) BoP model and combines four theoretical frameworks that underpin a BoP approach to progressing the poverty Millennium Development Goal. Finally, the conceptual model informs government policy on how to create an enabling environment designed to foster social entrepreneurship geared towards economic activity, progressing poverty mitigation.

Theoretical Conceptualizations

Four interrelated theories underpin this thesis: Institutional theory (Wicks, 2001), Contingency theory (Van de Ven, Ganco, & Hinings, 2013), Natural Resource Base View (Hart, 1995), and Dynamic Capabilities (Tashman & Marano, 2010). Institutional theory (Wicks, 2001) acts as an umbrella for the subsequent theories, explaining how a firm's macro (external) environment directs strategies, that require organizational interaction and adaption. Contingency theory (Van de Ven et al., 2013) necessitates how a *fit* between a firm's strategy (environmental stakeholder alignment) and structure (mechanisms that impact a firm) can lead to heightened economic performance. Natural resource base view (Hart, 1995) explains how sustainable competitive advantage can be realized when bearing in mind the challenges and constraints of a firm's natural environment. Finally, dynamic capabilities (Tashman & Marano, 2010) entails a firm's embedded processes (i.e., manipulation of organizational resources including acquiring, shedding, integrating), that when recombined, facilitate new sources of competitive advantage.

Methodology

Participants

Six B4MD board members and one executive from an Australian multinational company were interviewed: Co-founders Dr Bill Hurditch and Reverend Tim Costello; executive board members Mr Simon McKeon; Dr Dan Evans; CEO, Mr Mark Ingram;

Director of Projects, Mr Masud Isa; and a sole representative of the Australian consortium, Mr Mick Turnbull.

Research Protocol

A pre-arranged interview protocol was developed focusing upon developing poverty capability concepts within a BoP poverty Millennium Development Goal approach. The London (2007) BoP model provided the basis of the interview protocol and related questions. This instrument was developed in response to three research questions: Research Question 1: How does a non-governmental organization collaborate with a multinational company in order to meet the United Nations first Millennium Development Goal, mitigating poverty?, Research Question 2: How does a multinational company create value outcomes by co-creation and engaging with economically disadvantaged communities with the explicit goal of progressing the poverty Millennium Development Goal?, and Research Question 3: Utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between social enterprises, multinational companies, co-creation, and value outcomes?

Procedure

Data were digitally recorded, semi-structured interviews with the seven B4MD board executives were undertaken either at their work premises, Melbourne airport, or homes over a four month period. Interviews were for 1 to 1.5 hours, depending on the time availability of interviewees. Follow-up communications by phone and email were also undertaken to garner supplementary information and clarification of issues (Creswell, 2005).

Data Analysis

Triangulation of data was employed to ensure internal validity. This procedure involved data being collected through multiple sources such as interviews, observations, and document analysis; member checking whereby B4MD informants served as a check throughout the analysis process. Additionally, ongoing dialogue concerning interpretations of informant's reality and meanings were undertaken, ensuring the truth value of the data was achieved; participatory modes of research entailing B4MD

informants being involved in pertinent phases of this study, from the design of the project to checking interpretations and conclusions; and clarification of researcher bias that encompasses from the outset of this study, researcher bias.

Results

Interview material is organized in the form of three interrelated case studies. Each case encapsulates a segment, or component, of the BoP poverty Millennium Development Goal conceptual model of a Social Business Enterprise. Overall, nine propositions emerge from the findings of these three case studies (Figure 1). Case 1 reveals that in the context of international social ventures, ‘accessibility’ can reduce the liability of foreignness and newness; therefore, mitigating the need for legitimate firm building activities. Therefore, it is important to identify characteristics of a Social Business Enterprise construct. Accessibility is addressed by introducing three inter-related theoretical elements.

First, market entry enablers comprise of four theoretical components that act as entry modes for multinational companies entering into developing countries: communication represents a capability to successfully negotiate with multiple stakeholders of apparent polarity; strategic bridging is characterized by the presence of a third party as a stakeholder, which is separate and distinct from the island organization it seeks to link; empowerment denotes when multinational companies realize a sense of self-empowerment when prepared to willingly engaging with economically disadvantaged communities in social development ventures; and strategic flexibility is characterized as favoring an assortment of market entry modes and operational approaches to facilitate BoP poverty Millennium Development Goal venture adaptation.

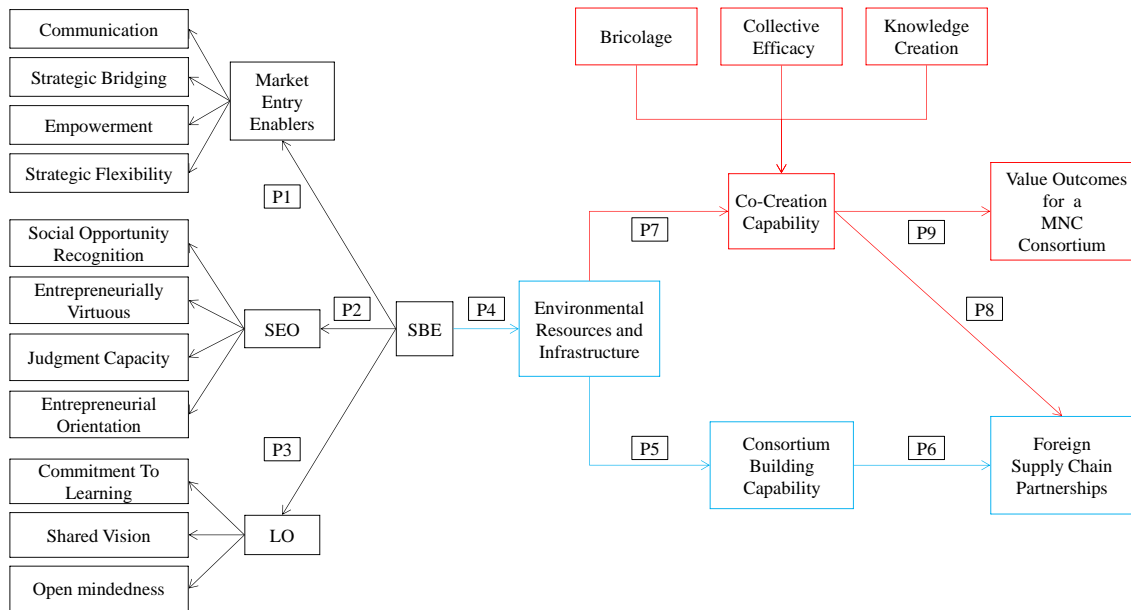
Second, Social Entrepreneurship Orientation symbolizes a multidimensional construct involving the expression of entrepreneurially virtuous behavior to achieve the social mission, a coherent unity of purpose and action in the face of moral complexity, the ability to recognize social value-creating opportunities and key decision-making characteristics of innovativeness, proactiveness and risk-taking. Third, learning orientation constitutes gaining insights into how social entrepreneurship can be developed and linked to ongoing capabilities within the Social Business Enterprise. Case 1 culminates in three propositions involving: P1: Market Entry Enablers are

associated positively to Social Business Enterprise, P2: Social Entrepreneurship Orientation is associated positively to Social Business Enterprise, and P3: Learning Orientation is associated positively to Social Business Enterprise.

Case 2 builds upon the Social Business Enterprise construct, and examines how B4MD assembled a consortium of Australian multinational companies for promulgation and advancement of the Highlands Fresh Produce project based on current infrastructure and resources. The partnership in the consortia is a crucial element in the proposed conceptual model and culminates in three propositions: P4: A Social Business Enterprise is associated positively to Environmental Resources and Infrastructure, P5: Environmental Resources and Infrastructure are associated positively to Consortium Building Capability, and P6: Consortium Building Capability is associated positively to Foreign Supply Chain Partnerships.

Finally, Case 3, further extends the findings of Cases 1 and 2 and highlights the importance of incorporating the knowledge of the women farmers in the design of the Highland Fresh Produce project. Co-creation, a dynamic capability, integrates three key competencies: Bricolage, Collective Efficacy, and Knowledge Creation, leading to the following propositions: P7: Environmental Resources and Infrastructure is associated positively to Co-creation Capability, P8: Co-creative Capability, encompassing Bricolage, Collective Efficacy, and Knowledge Creation, is associated positively to Foreign Supply Chain Partnerships, and P9: Co-creative Capability, encompassing Bricolage, Collective Efficacy, and Knowledge Creation, is associated positively to Value Outcomes for a MNC Consortium.

Co-creation is considered a critical ingredient to progressing the poverty Millennium Development Goal by BoP application, and for facilitating value outcomes for multinational companies. What is more, findings highlight that being commercially embedded within economically disadvantaged communities plays an essential role to BoP Millennium Development Goal project sustainability.



Note: SBE: Social Business Enterprise; SEO: Social Entrepreneurship Orientation; LO: Learning Orientation; MNC: Multinational Corporation

Figure 1 - A Base of the Pyramid poverty Millennium Development Goal conceptual model of a Social Business Enterprise

Implications

This research raises issues for investigators interested in social entrepreneurship, apart from serving as a practical guide for multinational companies. Six major implications emerge from this thesis:

- (1) For a Social Business Enterprise wanting to enter a developing country, there are three key constructs that are important: market entry enablers; social entrepreneurship orientation and learning orientation;
- (2) Collaboration between non-governmental organizations and multinational companies are necessary for the successful implementation of a BoP strategy;
- (3) Environmental resources (e.g., social capital) and infrastructure (e.g., roads) enables non-governmental organizations to design and create BoP projects;
- (4) A consortium of multinational companies with specific core business skills (e.g., Visy Australia in product packaging; Agility Logistics Australia which specializes in logistics) are key to creating a BoP project, complementing the existing resources and infrastructure;

- (5) Foreign supply chain partnerships are essential to achieving the BoP principle of foreign firms entering a developing nation; and
- (6) It is important to include the *voice of economically disadvantaged communities* (co-creation) in designing a BoP project, by using existing resources (e.g., women farmers), garnering trust from economically disadvantaged communities, and sourcing local knowledge which, culminates in advancing social development and value outcomes for participating multinational companies.

Chapter 1

Introduction

This chapter provides an overview of the purpose and background, proceeded by the rationale underlying the extant research. The research and structure of the present thesis are also outlined.

Background

Within the context of a large-scale qualitative case study of Business for Millennium Development (B4MD), an Australian-based social enterprise, this thesis aims to examine how the United Nations (UN) Millennium Development Goals (MDGs) acts as an overarching framework for a new market-based approach to achieving social development. In response to the UN call for companies to engage in the attainment of these goals (Ansari, Munir, & Gregg, 2012), the Base of the Pyramid (BoP) framework (Kuriyan, Ray, & Kammen, 2008) emerged. This approach reflects a new market-based development that is largely designed to mitigate poverty (Seelos & Mair, 2007a). According to Pitta, Guesalaga, and Marshall (2008), the BoP framework differs significantly from traditional market-based approaches and government strategies. For instance, conventional approaches proceed from the assumption that low-income communities are unable to help themselves, requiring charity or public assistance. In contrast, the BoP approach starts from a recognition that being poor, or economically disadvantaged, does not eliminate commerce and market processes (London & Hart, 2004; D. A. Pitta et al., 2008; Prahalad, 2004), and that low-income communities can be regarded primarily as producers (Harjula, 2005; Karnani, 2007a; McFalls, 2007).

Findings into the effectiveness of the BoP proposition in advancing social outcomes are mixed, therefore requiring additional research (Landrum, 2007; D. A. Pitta et al., 2008). Popular western business models cannot be transferred directly into developing country settings (Mair, Robinson, & Hockerts, 2006). Accordingly, firms need to develop innovative capabilities that take into account a developing country's local environment, and native community requirements and aspirations (Hart & Sharma, 2004). Development and engagement of social entrepreneurs and pertinent poverty frameworks in a local context is essential (Seelos, Ganly, & Mair, 2005).

In response to calls for further BoP research (Follman, 2012), this thesis involves an in-depth investigation of a poverty-relief non-government organization (NGO), B4MD. This organization creates commercially viable and scalable BoP enterprises, that are aimed at mitigating poverty in Asian developing countries such as Vietnam (Ingram, 2010). In 2009, B4MD founded the Highlands Fresh Produce (HFP) enterprise, stationed in the Southern Highlands province of Papua New Guinea (PNG). The HFP is underpinned by a BoP approach to advance the UN poverty MDG : Eradicate extreme poverty and hunger.

The HFP project harnesses local environmental resources and infrastructure to fertilize native farming commercial activities. Local agricultural produce (e.g., vegetables, fruits, chickens, eggs) harvested by 20,000 native underprivileged women farmers, is supplied to the HFP enterprise. This primary produce is processed and then sold to an Australian multinational company (MNC) Oil Search Ltd (OSL) and its work camps located in the Southern Highlands province of PNG. Interview material sourced from B4MD is used in developing a theoretical BoP poverty MDG conceptual model of a Social Business Enterprise. The following section provides the background on the poverty relief project situated in the Southern Highlands province undertaken by B4MD. The organization can be regarded as a partnership forum for MNC BoP applications. One of B4MD's principle objectives is to deliver poverty reduction outcomes pursuant to the UN eight MDGs in Asian region developing countries. Established in 2007, B4MD is supported by founding members including the Grey Group, Insurance Australia Group, IBM, KPMG, Visy, and World Vision Australia. B4MD is also supported by AusAID, an Australian government agency for international welfare development.

Over the previous five decades, approximately US\$2 trillion dollars has been spent on foreign aid (Simanis & Hart, 2008a). Unfortunately, top-down prescriptions of post-World War II social development establishments have been ineffective (Simanis & Hart, 2008a). In response to a UN call, the use of BoP approaches to progress the MDGs has gained momentum (Kuriyan et al., 2008). Acting as an overarching mission for social development (Kusek, Rist, & White, 2005), these goals are a set of eight specific objectives designed for the progression of the human condition. Predominately measurable, the goals are designed to be achieved by 2015 and include poverty reduction, improvement in education, gender equality, health, and environmental quality

(Heuty & Reddy, 2005). The MDGs provide time-bound and quantitative global goals to guide and influence national and international strategies for development (United Nations, 2003). Within this context, the present thesis undertakes an in-depth case study analysis, focusing upon the role of B4MD. This organization is geared to support the advancement and achievement of the MDGs by connecting Australian businesses to commercial opportunities in Asian developing countries (Ingram, 2010). As well, B4MD facilitates links between Australian companies and other relevant NGOs in delivering BoP projects under the MDG framework.

The HFP project is a flagship of the organization. Interview material aimed at developing a BoP poverty MDG conceptual model of a Social Business Enterprise (SBE) is sourced from seven B4MD executive board members. Interview material is organized in the form of three interrelated case studies, each encapsulates as a segment, or component, of the BoP poverty MDG conceptual model. Case 1 entails the identification of a strategic construct entitled SBE, involving the conceptual constructs of Market Entry Enablers, Social Entrepreneurship Orientation and Learning Orientation. Case 2 examines the roles played by Australian MNCs brought together by B4MD, and identifies the key role performed by PNG's local environmental resources and infrastructure in the development of the BoP poverty MDG social enterprise conceptual model. Finally, Case 3 introduces how B4MD co-creates with the native women farmers to develop the HFP, designed to address the poverty MDG and other MDGs (i.e., achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria, and other diseases; ensuring environmental sustainability; and developing a global partnership for development). The present study also reveals three important competencies that encompass Co-creation Capability: Bricolage, Collective Efficacy, and Knowledge Creation.

The first MDG, poverty, is defined in accordance with the United Nations (2013) directive to: *Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day* (p. 6). The poverty MDG reduction target was realized five years in advance of the 2015 schedule. For example, in developing regions, the proportion of people living on less than \$1.25 a day reduced from 47 per cent in 1990 to 22 per cent in 2010. Almost 700 million fewer people lived in conditions of extreme poverty in

2010 than in 1990 (United Nations, 2013). Despite the achievement at the global level, approximately 1.2 billion people continue to live in extreme poverty (United Nations, 2013).

In an effort to improve poverty levels in developing countries, multiple approaches have been advocated through enhancing economic activity (Amabile, 1988; Ramani, Sadre Ghazi, & Duysters, 2009). Approaches include trickle down development and pro-poor growth (Kakwani & Pernia, 2000). However, research (Hahn, 2009) reveals that development advances in the form of aid, donations, and charity have provided little long-lasting effects. Moreover, the free provision of goods and services to developing countries has inhibited the creation of or even disadvantaged existing industries (Banae & Yandell, 2006; Hahn, 2009).

Over the previous three decades, debate on how to increase developing country economic activity has concentrated on diverse poverty alleviation models and concepts derived from a range of disciplines (Hart & Sharma, 2004) including enabling environments (Craig & Porter, 2002) and inter-sectorial linkages (Cai, Leung, & Mak, 2006). Deliberations (Seelos et al., 2005) contend that development and engagement of social entrepreneurs and market-based poverty concepts, in a local context, is key to unlocking economic development. According to Wilson and Wilson (2006), governments should consider creating strategies that effectively cultivate private industry to assist in poverty mitigation. Positive change can be achieved by nurturing the establishment of local enterprises through government initiatives and local resources. Low-income markets require firms to develop capabilities which comprehend community aspirations within their local contexts (Hart & Sharma, 2004). Given that popular western business models cannot be directly transferred into developing countries, innovative approaches are necessary (Mair et al., 2006; Schuster & Holtbrügge, 2012).

Responding to the UN MDGs, the use of market-based approaches to mitigating poverty has gained momentum (Kuriyan et al., 2008). Noteworthy, MDG 8: *Develop a global partnership for development*, calls for developed countries to assist developing countries to ensure progress of the goals (Esson & Leeder, 2004). The BoP concept represents a new approach to alleviating poverty (Seelos & Mair, 2007a). The strategy

has been labeled variously as micro-capitalism (Dunn & Yamashita, 2003), inclusive capitalism (Hart, 2007), and creative capitalism (Gates, 2008) inter alia.

The BoP concept is a contemporary market-based approach designed to address poverty mitigation (Webb, Kistruck, Ireland, & Ketchen Jr, 2010), with foreign firms playing a central role (Bonsu & Polsa, 2011; Pineda-Escobar, 2013). This approach places business at the forefront of socio-economic development efforts. Expected outcomes include corporate profitability through sustainable practices and enhanced wellbeing for those in developing countries (Kandachar & Halme, 2008). Of note, however, the BoP strategy adopts the idea of consumer co-creation, whereby firms can coordinate - as opposed to impose - market-based solutions to poverty (Simanis & Hart, 2008b).

Application of new BoP concepts for MNCs is important owing to disappointing poverty alleviation outcomes (de Soto, 2000; Hart & Sharma, 2006). The United Nations Growing Sustainable Business program actively endorses and promotes the BoP approach to assist in achieving the MDGs (Wilson & Wilson, 2006). The BoP literature (London, Anupindi, & Sheth, 2010) has helped envision a meaningful role for business in poverty alleviation. However, extant literature (Gold, Hahn, & Seuring, 2013; Viswanathan & Sridharan, 2012) needs to be supplemented by additional research that seeks to address meaningful BoP debate.

Rationale

There are five main reasons for investigating BoP approaches targeted at advancing the MDGs in developing countries. First, to address the applicability of certain theoretical frameworks (i.e., Van de Ven et al., 2013) in the context of a BoP MDG approach. Schuster and Holtbrügge (2012) questioned whether current theories (e.g., resource based view of the firm) provide clear explanations as to how MNCs can best enter and establish business activities in developing countries. Underlying these questions, Badry (2009) declared that: *the market-based activity of MNCs in low-income markets is increasingly capturing the attention of academics. Nevertheless, there remains a lack of empirical and theoretical work on how MNCs should approach these markets* (p. XV). Therefore, it is important to consider how alternative theoretical frameworks can be applied. Accordingly, the following section discusses the four principle theories

underpinning this thesis: institutional theory; contingency theory; the natural resource base view of the firm; and dynamic capabilities theory.

Institutional theory. Although a majority of academics (Bruton, Ahlstrom, & Li, 2010) have conceptualized institutions as macro-level variables, Wicks (2001) highlighted the relevance of micro-level factors and their impact on individual behavior. Increasingly, it has become clear that factors external to firms such as culture, legal environments, and economic, *inter alia* impact business performance (Baumol, Litan, & Schramm, 2009). Within this context, Bruton et al. (2010) advocated that future research should expand the use of institutional theory to examine issues such as the macro–micro (institutional–individual mindset) links. In response to this call, this thesis contributes to the current theory by illustrating how a developing country’s ecological constraints (i.e., societal, political, and economic) interact with and direct firm behavior (i.e., social responsible corporate behavior) and BoP venture adaptation. Specifically, this thesis investigated the interaction between the PNG external environment and the foundation of the HFP BoP poverty MDG project. It is noteworthy that the HFP was established so that it aligned with the behavioral concerns and aspirations of native women farmers.

Contingency theory. Van de Ven et al. (2013) stated that *the world of organizations is changing, and so must our research and theories* (p. 395). Complementing institutional theory, contingency theory proposes that corporate social performance (Husted, 2000) is enhanced by an external fit between the demands of an organization’s environment and the design of its internal structure, as well as an internal fit among key design components of strategy, structure, systems, and culture (Miller, 1992). Building upon intuition theory, this thesis identifies the inter-relationship or fit of key elements of strategy (stakeholder adaption and alignment) and structure (mechanisms that effect firm knowledge management), of a social enterprise (Dart, 2004), which is aimed at realizing corporate social performance such as levels of alignment with external environmental stakeholders (Husted, 2000).

Natural Resource Base View and Dynamic Capabilities. According to Hart and Dowell (2011): *one key area for BoP research, that can be related to Hart’s (1995) natural resource base theory (NRBV), is what capabilities are needed to enable companies to identify, develop, and then create value from participating developing*

countries (p. 1472). In recent times, while a number of qualitative and theoretical examinations have focused upon these areas, further investigation is necessary (London & Hart, 2011). Desa and Basu (2013) concluded that there has been limited theory development and empirical work that targets the different approaches that social entrepreneurs can adopt when mobilizing key resources that influence their choices. Accordingly, this thesis aims to identify sustainable dynamic capability constructs (Co-creation, Consortium Building) that emerge in response to the ecological constraints of a developing country's external environment. Capability components are considered crucial for the development of a BoP poverty MDG conceptual framework of a Social Business Enterprise.

It should be noted that a number of other theories have been utilized to investigate this topic area including agency theory (Davis, Schoorman, & Donaldson, 1997), stewardship theory (Davis et al., 1997), social identity theory (Trepte, 2011), social capital theory (Smedley & Syme, 2001), and resource dependency theory (Hillman, Withers, & Collins, 2009). These theories involve inherent strengths and limitations in their application and relevance to this field. Agency theory helps to explain the asymmetrical relationship opportunities between agents and principles of enterprises such that the motivators of agents are subject to the possibility of personal gain at the expense of those of the principles for whom they work (Davis et al., 1997). By contrast, the sociological and psychological perspective of stewardship theory focuses on the collective, trust, and pro-asymmetrical context of stakeholders (Davis et al., 1997). Social identity theory helps to explain people's self-conceptions and behavior from a cognitive perspective and as a number of a group (Trepte, 2011).

Emerging from the education and sociology field (Kreuter & Lezin, 2002), social capital theory focuses upon the values embedded within social networks that individuals can draw upon to achieve individual or collective goals (Putnam, 2000; Smedley & Syme, 2001). Social networks act as a foundation for collaboration and coalition building, and are considered an essential part of community capacity (Popapchuk, Crocker, Schechter, & Boogaard, 1998). As a societal analogue to human and material capital, social capital represents a more enduring characteristic of communities and can be considered a more limiting construct than community capacity (Kreuter & Lezin, 2002). Finally, resource dependence theory (RDT) has been adopted to examine how organizations can reduce

their environmental interdependence (Hillman et al., 2009). This framework helps to explain why firms engage in merger and acquisitions (Agard, 2010). RDT adopts an externally focused perspective of why firms acquire other organizations. Central to this approach, however, is the concept of *power* which involves the domination of vital resources (Dees & Anderson, 2003). Given that resource dependency is aimed at reducing firm dependence (partnerships) on other firms within their external environment (Armendáriz & Morduch, 2010), the application of RDT is not consistent with the tenor of this thesis, which in part explores the development of trust and aligned cross-sector partnerships involving an NGO, MNCs, governments, and female village farmers..

Second, although there is a heightened interest in social enterprises and social entrepreneurship (Galera & Borzaga, 2009), terminology remains imprecise (Bielefeld, 2009). For example, terms such as social enterprise and social venture are used interchangeably with social entrepreneurship (Defourny & Nyssens, 2010; Peredo & McLean, 2006). In recent times, the field of social entrepreneurship has proffered a number of definitions (Nichols & Young, 2008) such that the meaning of distinctive concepts, aspects, and dimensions can mean different things to a range of people (Dees, 1998a). As a case in point, some researchers (Austin, Stevenson, & Wei-Skillern, 2003) characterize social entrepreneurship as not-for-profit initiatives, that seek to develop social value outcomes through the means of alternative funding. Other investigators (Sagawa & Segal, 2000) expound social entrepreneurship as involving commercial businesses that utilize socially responsible practices, that engage cross-sector partnerships.

There is a distinction between social entrepreneurship and social enterprise, despite the contextual similarities. Mair and Marti (2006) suggested that social enterprise focuses and accentuates the tangible outcomes that result from the processes or behaviors of social entrepreneurship. Surprisingly, the field of social enterprise has received limited attention despite the discipline having gained increased recognition in recent times (Defourny & Nyssens, 2010). In line with this development, a number of universities (i.e., Harvard Business School) have developed research and training programs aimed at intensifying the social enterprise debate. However, extant deliberations suffer from parallel trajectories, with few connections between them (Defourny & Nyssens, 2010).

Responding to the uncertainty in the social enterprise literature (Mook, Quarter, & Ryan, 2012), this thesis introduces BoP theoretical constructs that are integral to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise. For example, Market Entry Enablers (MEE) are identified as key to SBE formation by way of BoP application. In line with Cornelius, Todres, Janjuha-Jivraj, Woods, and Wallace (2008), this thesis adopts a capabilities perspective to social enterprise development research.

Third, limited literature concerning detailed BoP approach frameworks for developing countries (Follman, 2012; Gold et al., 2013; Jagtap et al., 2014). Faulconbridge (2013) championed the notion that there are significant opportunities to be had in promulgating literature on MNCs when investigating the markets of developing countries. Despite increasing academic interest, many questions remain unanswered such as how best or what methods MNCs need to adopt when entering the markets of developing countries (Rivera-Santos & Rufin, 2010). Echoing these sentiments, Viswanathan and Sridharan (2012) stated that extant literature offers little theoretical or practical guidelines for firms entering low-income economies. The dearth of empirical studies in this field is potentially problematic because the conditions in relatively low-income markets strongly differ significantly from those of established markets (Reficco & Marquez, 2009; Rivera-Santos & Rufin, 2010).

The diverse range, volume, and strength of concurrent voices contributing to the BoP knowledge has added to the problem as to how best to integrate the accumulated knowledge into a practical framework suitable for research and practice (Follman, 2012). Consequently, further research needs to address how current scholarship and understanding of the BoP framework can be applied. With this in mind, this thesis argues that SBE is one means by which governments, for-profit, and not-for-profit organizations can advance the UN MDGs, by augmentation of developing country economic activity through BoP application. Fourth, government policies need to nurture large scale market-based activities, and therefore, it is important to investigate this topic (Arora & Romijn, 2012). Arora and Romijn (2012) advocated that developing country government policies are key to facilitating market-based approaches that improve social development outcomes. In line with this view, Cai et al. (2006) heralded the advantages that tourism-business cross-sector partnerships have provided in mitigating poverty

within developing countries. Complementing Hart's (1995) NRBV, this thesis highlights how developing countries extant resources and infrastructure foster successful BoP implementation. Cross-sector partnerships are deemed to emerge and develop from a firm's external environment, thereby supporting the application of institutional theory. Moreover, the UN MDG 8 gives rise to a bipartisan approach of developing countries to work in partnership with the governments of developed countries in progressing and achieving the MDGs (United Nations, 2013).

Finally, London, Sheth, and Hart (2014) state that: *while there is an increasing amount of interest and resources from development sector players and impact investors, there remain challenges in moving from pilot to scale within the BoP venture pipeline. Enterprise success has been mixed; while a few ventures have scaled, many have struggled to develop a viable business model* (p. 12). Accordingly, this thesis contributes to the methodological debate associated with the BoP approach. This debate highlights the limitations associated with single case generalizability (Lee, 1989), generative theory restrictions (Schwandt, 1994), and the potential biases associated with one-to-one interview practices (Johnson & Onwuegbuzie, 2004). Notwithstanding, the current thesis builds upon existing BoP models such as those proposed by London (2007), through the application of constructivist ontology, interpretivist epistemology, and logico-deduction. It is argued that social phenomena and their meaning are in a constant state of revision (Bryman, 2001). Knowledge gathering processes are critical (Grix, 2004) to theory development, and that drawing upon established hypothetical frameworks in generating theory is another essential consideration (Hakkinen & Hilmola, 2005). Seeking evidence to support the theory building process is yet a further methodological consideration (Dey, 1999).

As outlined below, this thesis makes six important contributes to the theoretical, definitional, policy, and methodological debates in this area. First, findings of the current three case studies, which form part of this thesis, culminate in the BoP poverty MDG conceptual model of a Social Business, which is underpinned by institutional theory (Campbell, 2007), Contingency theory (Van de Ven., et al. 2013), NRBV (Hart, 1995), and Dynamic Capabilities (Teece et al., 1997). The model proposes the interrelationships between social business enterprise incorporating social business enablers, social entrepreneurship orientation, learning orientation, environmental

resources and infrastructure, consortium building capability, foreign supply chain partnerships, co-creation capability (involving bricolage, collective efficacy, knowledge creation), and value outcomes for a MNC consortium. Second, complexity is inherent with BoP approaches. Relying on only one theory to underpin research is limited. For this reason, four theoretical frameworks were adopted encompassing: Institutional theory (whereby HFP, acting as a social enterprise, emerges from the adaptation of PNG's external socio-political environment), Contingency theory (B4MD achieves a "fit" with all HFP stakeholders in achieving corporate social performance), Natural Resource Base View (B4MD establishes a consortia of MNCs which are required to utilize existing infrastructure and natural resources in PNG, such as rich farming land and road access); and Dynamic Capabilities (Co-creating businesses in collaboration with economically disadvantaged communities requires multiple dynamic competencies in developing countries in order to create value) is considered contribute to BoP literature, and assist in the development of a BoP poverty MDG conceptual model of a Social Business Enterprise.

Third, definitional ambiguity concerning key terminologies are explicated. Presently, terms such as social enterprise and social venture being used interchangeably with social entrepreneurship. In response, BoP theoretical constructs such as Market Entry Enablers (MEE) and Environmental Resources and Infrastructure are presented as key elements in the development of a BoP poverty MDG conceptual model of a Social Business Enterprise. Fourth, theoretical BoP constructs, such as co-creation, are presented providing insights into managing and assembling BoP approach frameworks for developing countries. Co-creation involves collaborative partnerships between NGOs and MNCs in building BoP projects that build from developing country extant resources and infrastructure. Presently, literature remains limited in the area (Jagtap et al., 2014). Fifth, government policies are restrictive and deficient in supporting BoP projects (Isa, 2010). This thesis presents how BoP ventures can be identified as a result of improved developing country infrastructure, pursuant to progressing the MDGs. Finally, viable BoP enterprise business models remain anecdotal (London et al., 2014). The present thesis builds upon extant BoP approaches, such as London (2007), through the application of constructivist ontology, interpretivist epistemology, and logico-deduction. In addition, it is argued that knowledge sourcing methods are vital (Grix,

2004) and drawing upon established hypothetical frameworks (Hakkinen & Hilmola, 2005) is important to theory development.

In conclusion, this chapter outlines six reasons for adopting BoP approaches as a way of advancing the poverty MDG in developing countries. First, the development of a social business enterprise. The model is underpinned by four interrelated theoretical frameworks (institutional theory, contingency theory, NRBV and dynamic capabilities) and introduces nine theoretical constructs such as co-creation, environmental resources and infrastructure, and consortium building capability. Second, the application of four interrelated theoretical frameworks provides explanations as to how MNCs can best enter and establish business activities in developing countries. Each of the four interrelated theories provide a framework, or perspective, within which to view this research. Third, owing to the heightened interest in social enterprises and social entrepreneurship (Galera & Borzaga, 2009), terminology remains imprecise (Bielefeld, 2009). Fourth, current research has yet to provide insights into ways in which NGOs and MNCs assemble market-based models, within a given context, in pursuit of creating value (Jagtap et al., 2014). In spite of the growing academic attention, various questions remain unresolved such as how best or what methods MNCs need to adopt when entering the markets of developing countries appear to be restrictive and should nurture large scale market-based activities that aim to improve social development outcomes (Arora & Romijn, 2012). Finally, feasible BoP firm business models remain anecdotal (London et al., 2014). Issues to do with generalizability (Lee, 1989) and generative theory restrictions (Schwandt, 1994) are examples which highlight the methodological debate.

Research Objectives

In light of these debates, this thesis aims to integrate relevant theoretical conceptualizations and market-based concepts to formulate a BoP poverty MDG conceptual model of a Social Business Enterprise, underlined by the UN MDG framework. This current thesis addresses three main questions:

Research Question 1: How does a non-governmental organization (NGO) collaborate with a MNC in order to meet the UN first MDG, mitigating poverty?

Research Question 2: How does a MNC create value outcomes by co-creation and engaging with economically disadvantaged communities with the explicit goal of progressing the poverty MDG?

Research Question 3: Utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between Social Business Enterprise, MNC, co-creation, and value outcomes?

This present thesis contributes to: Advancing the first MDG (United Nations, 2011) Target 1a - reduce by half the proportion of people living on less than a dollar a day; demonstrating how a social business enterprise, such as B4MD, can forge cross-sector partnerships with MNC, and apply poverty concepts, and be a chief driver to BoP scalability within a pro-poor growth environment to mitigate poverty.

Thesis structure

This thesis involves an additional seven chapters. Chapter 2 introduces the framework of UN MDGs, followed by an examination into corporate social responsibility, pertinent BoP literature, and other associated poverty alleviation models. A definitional analysis of social entrepreneurship and social enterprise is provided, culminating in the conceptualization of SBE. Chapter 3 discusses four theoretical conceptualizations: Institutional (Bruton et al., 2010) and contingency theories (Van de Ven et al., 2013), the natural resource base view (Hart, 1995); and dynamic capabilities (Teece & Pisano, 1994). These theoretical frameworks underpin this thesis. Chapter 4 describes the present methodology and is partitioned into two main sections; Research Design and Method. The Research Design section discusses the qualitative case study method, proceeding to an examination of constructivist ontology, interpretivist epistemology, and formative evaluation. An analysis of how case studies contribute to theorizing as an instrument for augmenting strategic management awareness follows. Deliberation of the advantages and disadvantages of case study and method issues relating to validity and reliability follows, as well as a discussion of the strengths and weaknesses associated with an evaluation of current applied research and formative evaluation. The Method section describes the B4MD participants, research, and interview procedures, and details the interview schedules utilized.

Chapters 5 and 6 showcase three inter-related case studies, each of which form an integral component and contribute to a SBE conceptual model. Accordingly, Chapter 5 reports in detail on Case 1 and identifies the SBE construct, comprising three inter-related theoretical elements: Market Entry Enablers; Social Entrepreneurship Orientation; and Learning Orientation. Of note is how the UN MDGs acts as an overarching framework for the model. Case 1 also demonstrates how a non-profit organization, B4MD, develops BoP projects in the Southern Highlands province of PNG. Case 2 forms the basis of Chapter 6 and extends the SBE construct. Case 2 examines how B4MD assembled a consortium of Australian multinational companies for promulgation and advancement of the HFP project. Companies participating in this consortium include Visy Australia, Oil Search Ltd, Goodman Fielder, and Agility Logistics Australia. The NGO-MNC collaboration or partnerships is an essential component of this BoP project. PNG's extant environmental resources and infrastructure are identified as integral elements to a BoP approach. This chapter identifies how developing countries' environmental contexts differ, therefore impacting upon business performance (Baumol et al., 2009). Institutional forces with a developing nation's external environment can involve factors such as social-political, culture, legal environments, and economic. Finally, established within Chapter 6 is the notion that consortium building can be regarded as a dynamic capability necessary for MDG poverty advancement.

Chapter 7 presents the findings and outcomes associated with Case 3, building further upon Cases 1 and 2. This chapter introduces the dynamic capability of Co-creation, which integrates three competencies: Bricolage, Collective Efficacy, and Knowledge Creation. Co-creation is considered a vital ingredient to progressing the poverty MDG by BoP application, and for facilitating value outcomes for MNCs. Moreover, research (Simanis & Hart, 2008b) highlights that being commercially embedded within economically disadvantaged communities plays an essential role to BoP MDG project sustainability, which can in-turn lead to the development of MNC value outcomes such as good corporate citizen recognition. Finally, Chapter 8, the Discussion, brings together key features of each of these three cases. This chapter examines related BoP models and pertinent theory, culminating in the development of a conceptual model of a

SBE. Research limitations and implications for future research, theory, practice, NGOs, and policy are outlined.

Chapter 2

Literature Review

The present chapter begins with a review of the United Nations (UN) Millennium Development Goals (MDGs), which provides a framework for action, by business, to achieve eight social development objectives by 2015. Corporate social responsibility (CSR) is then introduced, followed by a review of academic literature on a market-based, social development concept called the Base of the Pyramid (BoP). Definitions of social entrepreneurship are provided leading to the establishment of a conceptual model of a SBE. This chapter then proceeds with examination of BoP literature, detailing three BoP academic themes: Environmental Resources and Infrastructure, Consortium Building Capability, and Foreign Supply Chain Partnerships. Finally, literature on Co-creation capabilities to work with the local women farmers is explored highlighting the centrality of these competencies for the establishment of successful BoP ventures and mutual value.

Following decades of efforts to mitigate global poverty in which not-for-profit organizations have operated independently from for-profit companies, along with associated disappointment with outcomes, has led to novel poverty alleviating approaches (Kuriyan et al., 2008). Donors increasingly acknowledge that without the participation of the private sector, achievement of the global social development outcomes is unlikely (Fitch & Sorensen, 2007). Development aid such as donations and charity have little long-lasting effects (Hahn, 2009). Moreover, corporate social responsibility revenues have been collected by third-party partners and not returned to the companies (London, 2007), hindering social value outcomes and efforts. Within this context, scholars (e.g., Arora & Romijn, 2012; Schuster & Holtbrügge, 2012) are examining alternative poverty alleviation models that create positive social outcomes, while concurrently augmenting economic growth (Karnani, 2007). In line with this examination, this thesis aims to develop a BoP poverty MDG conceptual model of Social Business Enterprise. Premised upon mutual value creation (London, 2007), the BoP concept falls under the overarching framework of the MDGs. An analysis of government social development strategies and other poverty alleviation models follows,

coupled with studies on other market-based approaches designed for social creation (Prahalad, 2004; Simanis & Hart, 2008b).

The Millennium Development Goals

In 2000, 189 governments committed themselves to adopting the Millennium Declaration (Merino & Valor, 2011). This declaration encourages a global alliance to achieve social development outcomes by means of the United Nations (UN) Millennium Development Goals (MDGs). The eight goals encapsulated by the declaration, act as the cornerstone for global public policy coordination for human development (Merino & Valor, 2011). These goals are to eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria, and other diseases; ensure environmental sustainability; and develop a global partnership for development (Prescott & Nelson, 2003). The first MDG goal calls for a distinct reduction of worldwide poverty and is the principle focus of this thesis.

In gaining a broader perspective of the MDGs, Seelos et al. (2005) explained that MDGs 1-to-7 are to be achieved for the most part by developing countries, with financial assistance from the Organization of Economic Co-operation and Development (OECD) nations. Of noteworthy importance, MDG 8 outlines targets for the creation of a global partnership for development (United Nations, 2003), which flags BoP opportunity engagements. This world-wide affiliation is to be achieved by OECD participants who can collaborate with multiple multilateral agencies, non-government organizations, and private companies. The opportunity of established networks can pave the way for social entrepreneurship to assist and impact the realization of the MDGs (Seelos et al., 2005).

In 1987, leading to the development of the MDGs, Dr Gro Harlem Brundtland proposed the global objective of succeeding sustainable development (Mair et al., 2006). In 1983, the UN General Assembly commissioned Dr Brundtland to present an environmental and global problematic report, focusing to the year 2000 and beyond, which was to address proposed strategies for achieving sustainable development (Mair et al., 2006). To instill momentum of the findings, the UN Millennium Declaration was adopted in September 2000. In an effort to operationalize a sustainable development concept, a

defined set of social development objectives were identified, and offered as the MDGs. The MDGs comprise of eight quantifiable and monitoring goals (with 18 targets and 48 specific indicators) for global development and poverty eradication by 2015 (Seelos & Mair, 2005). Major corporations were targeted to play an active leadership role in promoting sustainable development under the guise of the UN Development Program's (UNDP) Growing Sustainable Business Initiative. The Growing Sustainable Business encourages profit-driven private sector engagements in developing countries that promote business-led firm solutions that have a direct positive impact on local sustainable and economic development (Prescott & Nelson, 2003).

In 2005, a millennium development report advised that achievement of the MDGs would fail as a result of a continual "business as usual" mantra (Martens, 2005). Consequently, the UN devoted 2008 to building a renewed momentum around the MDGs, which included a special emphasis on the role of business in social development (Seelos & Mair, 2005). In recent times, the United Nations (2013) revealed that significant progress has been made in halving the number of people living in extreme poverty (MDG 1). The inter-governmental organization affirmed that the world had reached the poverty reduction target five years ahead of schedule. In developing regions, the proportion of people living on less than \$1.25 a day fell from 47 per cent in 1990 to 22 per cent in 2010. About 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990 (United Nations, 2013). Despite the progress achieved since the endorsement of the MDGs, human poverty still remains widespread in certain parts of the world (United Nations Development Programme, 2013). Over the previous three decades, extreme poverty has been reduced to approximately 650 million people, however, it is estimated that globally more than a billion people live in extreme poverty (United Nations Development Programme, 2013).

In an attempt to advance social development, social enterprises have emerged in the aim of progressing the poverty MDG (Mair et al., 2006). For example, the Grameen Bank (Dacin, et al., 2010) provides economically disadvantaged women access to micro-loans to help start their own business in developing countries, while Full Circle Exchange helps women-owned companies from South America and Africa enter the United States marketplace by acting as an enterprise aggregator and distributor to major retailers including Walmart and Macy's (Priddy, 2012). In the agricultural sector, One Acre Fund

provide service support (i.e. financing of farm inputs, training on agricultural techniques, and distribution of seed and fertilizer) to remote farmers for increased output (One Acre Fund, 2014). Similarly, Oxfam International also works with small farmers to enhance productivity by supporting local producers with sustainable techniques that help society rise out of poverty (Oxfam Australia, 2014).

Grameen Bank microfinance initiatives show very modest to no impact on poverty mitigation Armendáriz & Morduch, (2010). As Full Circle Exchange identifies gaps in trade access to the United States mass market, missing links in this strategy remain. One Acre Fund: we are committing to monitor and to improve the long-term effects of our practices on soil quality and broader ecology, to measure our own environmental impact as an organization, and to begin transparently publishing more results. According to Valkila, (2009), Oxfam promotes the application of fairtrade, however, little is known about how the actual governance structures function in fair trade-certified co-ops, thus mitigating poverty.

According to the United Nations Development Programme (2013), economic growth will not necessarily produce jobs and cut poverty unless the needs of economically disadvantaged communities are at the center of development priorities. Consistent with the objective of the furthering advancement of the poverty MDG, an analysis of literature on corporate social responsibility (CSR) is essential so as to further our understanding for calls for the development of BoP approaches that facilitate poverty mitigation.

Corporate Social Responsibility

The concept of corporate social responsibility (CSR) has broadened significantly in the past decade (Merino & Valor, 2011). In accordance with the European Union (2001), CSR is defined as: *A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis* (p. 8). This thesis adopts the Merino and Valor (2011) definition of CSR as it is consistent with contingency theory, which argues for the need for *consequency [sic] of a fit or match between two or more factors* (Van de Ven & Drazin, 1984, p. 1). Development agencies and academic scholars have heralded assertions concerning the positive role that CSR can play in contributing to mitigation of the

poverty MDG (Frynas, 2008). Connecting CSR to international development goals is a significant step, in that firms are not simply expected to act responsibly, but are also expected to intervene and play a critical role in public interventions. While scholars (e.g., Idemudia, 2011; Jenkins, 2005; Ragodoo, 2009) herald the necessity of CSR to mitigate poverty, Frynas (2008) provided counter-assertions giving rise to the possibility that business researchers have failed to investigate the developmental side of private sector efforts: *new evidence is emerging outside the business literature, which casts doubts on the beneficial effects of CSR* (pp. 275-276). In support of, Fig (2005) suggested a number of scholars (Frynas, 2005; Lund-Thomsen, 2005) have also asserted that in the light of the developmental effects of CSR initiatives, questions remain about both the efficiency of CSR approaches and the tangible benefits for the stakeholders.

While it can be argued that Creating Shared Value (CSV) and Subsistence Marketplaces might be relevant theories, these frameworks were not adopted because CSV is taken as another form of CSR and rarely moves beyond the economic purpose of the firm. This view is reflected in the words of Crane, Palazzo, Spence, and Matten (2014) who stated that: *infact when we refer to the existing management scholarship on CSR (and related labels such as business ethics, sustainability, and citizenship) and argue that this literature is largely caricatured by Porter and Kramer, it is also fair to add that most of this literature similarly rarely moves beyond the economic purpose of the firm* (p. 142).

In more recent times, Merino and Valor (2011) have challenged the assumption that CSR is necessarily good for alleviating poverty in developing countries. These authors claim that weaknesses and difficulties remain, believing that: *criticisms revolve around three concerns: implementation of CSR, conceptualization of CSR, and ideological frameworks behind (and beyond) CSR* (p. 158), concluding that the role of companies in the fight against poverty has therefore become a central issue in the legitimacy of CSR. Given the scholarly debate on CSR, the BoP concept was initiated in response to the UN to advance poverty mitigation (Kuriyan et al., 2008).. The following section introduces the BoP concept, highlights its origins, and reviews elements of mutual value creation outcomes, and related concepts of stakeholder collaboration and co-creation.

The Base of the Pyramid

The BoP concept can be identified as a market-based approach to poverty alleviation which differs from traditional market approaches and government strategies (D. A. Pitta et al., 2008). Traditional approaches to mitigating poverty proceed from the assumption that low-income communities are unable to help themselves, requiring charity or public assistance. In contrast, the BoP concept starts from a bottom-up approach (London, 2007), recognizing that being poor does not eliminate commerce, market processes, and opportunities (London & Hart, 2004; D. A. Pitta et al., 2008; Prahalad, 2004). Scholars (e.g., Hart & Prahalad, 2002; Prahalad & Hammond, 2002) suggest that a BoP approach can lay the foundation for revenue generating enterprises that can either sell goods to, or sources products from, low-income societies, in a way that helps to improve the standard of living of economically disadvantaged communities. Hart and Prahalad (2002) and London and Hart (2004) support this position having posited that private firms can help reduce poverty while simultaneously generating profits (mutual value creation), by inventing new business models for providing products and services to assist economic disadvantaged communities. For this to occur, partnerships with non-governmental organizations (NGOs), development agencies, and local communities are deemed key to assisting private firms to develop new markets, while providing economic disadvantaged communities with access to markets and services (Hart & Christensen, 2002; Hart & Prahalad, 2002; Prahalad & Hammond, 2002).

In further examination of extant BoP literature, research reveals how the proficiency to co-create with stakeholder participants acts as an essential component to social development outcomes (Simanis & Hart, 2008b). While external participation of MNCs is required to catalyze BoP projects (London, 2007), local co-invention and bottom-up development are considered vital components of the BoP philosophy for enabling success (Foster & Heeks, 2013; Gebauer & Reynoso, 2013). As promulgated by Hart (2005), extraneous parties need to discover systems which hear and incorporate the voices of economically disadvantaged communities when designing BoP strategies. This allowance can then enable BoP undertakings to combine industrialized country knowledge with the understanding and cleverness found with economically disadvantaged communities. Castillo, Diehl, and Brezet (2012) echo similar co-creative sentiments by recommending that while attempting to grasp what people desire, it is

important to develop a deep understanding of the socio-cultural contexts in which people are immersed. Consequently, upon developing collaborative BoP ventures, the establishment of networks which encourage stakeholders (corporations, underprivileged communities and NGOs) to act co-creatively (Kandachar, de yong, & Diehl, 2009; Kandachar & Halme, 2008), and designed to best *fit* a developing country's local environment, can enable the co-discovery of new opportunities (Whitney & Kelkar, 2004), that respond to the needs of economically disadvantaged communities (Smith, 2007) .

Free market advocates argue that the best antidote to poverty is economic growth (Karnani, 2007a; Virmani, 2006). Banerjee (2007), Madeley (2008), and Arora and Romijn (2012) indicated that recent BoP discourse has discarded decades worth of contentious experience of the roles of private business in social development, whereby mutual value creation can be achieved (London et al., 2010). For instance, development agencies (United Nations Development Programme, 2008) have suggested that for-profit business in poverty eradication have progressively supplanted the view that large firms, while undertaking their commercial activities, can actually exacerbate poverty. Echoing these sentiments, Arora and Romijn (2012) stated:

We criticize recent BoP literature for 'cancelling out politics' by obscuring unequal power relations at different societal levels and in the process, painting a rosy picture of win-win outcomes that will make (some of) the world's richest corporations richer and simultaneously add a few crucial pennies to the pockets of the poor. ...Moreover, the BoP discourse is unethical in holding out untested, if not utterly false, promises while sidelining a whole history of political struggles that have marked many poor communities' previous encounters with large corporations (p. 482).

With these issues in mind, this thesis takes the view that a BoP market-based approach, aimed at progressing the poverty MDG, is conceivable. In support of this position, extant BoP research (Dowell, Hart, & Sharma, 2010) proposes that it is essential that organizations develop interests in developing countries, in response to competitive and institutional pressures, and pre-emptive environmental strategies that can intensify the effect of these pressures. London and Anupindi (2012) highlight that application of the

BoP concept has helped to catalyze interdependent collaborations. Furthermore, despite limited theory in the area, Schuster and Holtbrügge (2012) espouse the belief that foreign organizations can assist in mitigating poverty stating: *Multinational companies (MNCs) can play an important role in poverty alleviation. The international business literature, however, lacks theoretical insight and systematic empirical evidence of MNCs entering low-income markets* (p. 817). In response to the UN call for business to advance the poverty MDG, the subsequent section addresses government strategies and other poverty alleviation models that have contributed to the development of the BoP concept.

Strategies Associated with Poverty Alleviation Models

Deliberations on poverty mitigation have concentrated on various models. By tradition, governments collaborate with markets to generate sustainable development initiatives (Chu, 2007). For example, not-for-profit poverty models such as micro-finance initiatives and aid agency programs have been a hallmark of development assistance for a number of years (Kirchgeorg & Winn, 2006; Yunus, 1998, 2008). However, as indicated in Chapter 1, research (Hahn, 2009) brings to light that development assistance such as country aid and charity achieves little long-lasting social development results. Banae and Yandell (2006), and Hahn (2009) asserted that country-to-country donations can even inhibit the establishment and development of commerce.

More recently, a growing stream of BoP models have surfaced (Arora & Romijn, 2012). Extant research, however, has yet to provide insights into managing and assembling market-based models, within a given context, in pursuit of creating value (Seelos & Mair, 2007b). Schuster and Holtbrügge (2012) asserted that while MNCs can play an important role in poverty alleviation, international business literature lacks theoretical insight and systematic empirical evidence of ways in which MNCs can enter low-income markets. Accordingly, these authors affirm that: *previous research on the development of poor countries by the World Bank or the UN is mostly based on theories of finance and economics, while theories of international business, strategic management, and marketing are rarely applied* (p. 818). Within this context, the following section discusses current strategies and models of intervention for mitigating poverty, including government strategies, not-for-profit (NFP), and BoP models (Table 2.1). Briefly, government strategies involve pro-poor growth, medium-term

development plans, sustainable livelihood approaches, and poverty reduction strategy papers. NFP models entail micro-finance initiatives, aid agency programs, value chain initiatives, and enabling environments. Finally, BoP models involve Prahalad's (2004) 12 principles for innovation, second generation BoP protocol, a field guide to doing business with the poor, and London's (2007) six core principles to a BoP model.

Table 2.1 - Current Strategies and Models of Intervention for Mitigating Poverty

Government Strategies	Not-for-Profit (NFP) Poverty Models	BoP Models
Pro-Poor Growth (Kakwani & Pernia, 2000)	Micro-Finance Initiatives (Kirchgeorg & Winn, 2006; Yunus, 1998, 2008)	Prahalad (2004) 12 principles for innovation to a BoP approach
Medium-Term Development Plans (Gibson & Rozelle, 2003; PNG Government., 2010)	Aid Agency Programs (Kirchgeorg & Winn, 2006; Yunus, 1998, 2008)	Second Generation BoP Protocol (Simanis & Hart, 2008b)
Sustainable Livelihood Approaches (Norton & Foster, 2001)	Value Chain Initiatives (Cattarinich, 2001; Torres & Momsen, 2004)	Doing business with the poor: a field guide (World Business Council for Sustainable development, 200)
Poverty Reduction Strategy Papers (Marcus, Wilkinson, & Marshali, 2002)	Enabling Environments – Policy Reform (Craig & Porter, 2002)	London (2007) 6 core principles to a BoP model

Government Strategies

As discussed below, government strategies as inter-sectorial backward linkages, pro-poor growth, medium-term development plans, and poverty reduction strategy papers can assist local enterprises achieve sustainable development. Pro-poor growth is conceptualized as inclusive growth skewed in favor of economically disadvantaged communities (Meyer, 2006). Pro-poor growth argues for the removal or correction of

institutional constraints and that macro-economic policy can improve market efficiency (Kakwani & Pernia, 2000). Such constraints involve overvalued exchange rates, poor industrial location policies, and public infrastructure spending favored towards urban areas (Kakwani & Pernia, 2000). Critics (Kakwani & Pernia, 2000) claim that pro-poor growth strategies distort economies, resulting in inefficiencies or loss of growth, with the resultant consequences contributing to a decline in the overall well-being of a society. In support of these sentiments, Fitch and Sorensen (2007) noted that:

On the whole developing countries continue to be characterized by failing markets, and the poor - deprived of access to goods, services and income earning opportunities - are the ones suffering most. ...Clearly a substantial re-think was necessary, and this has come largely in the form of what is referred to as 'Making Markets work for the Poor' (p. 783).

Central to a pro-poor growth strategy is the removal of the aforementioned constraints, preventing businesses pursuing productive (profitable) endeavors that in some way meet the needs of the underprivileged. Moreover, donors become catalysts for change, helping to identify key market failures and then working with key stakeholders such as government, business, and civil society, active in and able to transform the way that markets operate. Medium-term development plans (MTDP) act as an overarching framework for fiscal, economic, and social development reform (Gibson & Rozelle, 2003). The PNG government adopts pro-poor growth strategies utilizing the MTDP (PNG Government., 2010).

This approach addresses how a developing country can achieve sector economic targets, government budget costs, and accountable government departments (Gibson & Rozelle, 2003). The plan is recognized under the UN country program (UNDP, 2007). There are three functional roles of MTDP: framework development for a government's expenditure programs; supporting policy frameworks facilitating enabling conditions for recovery and development; and strengthening public expenditure management systems (PNG, 2004). Sustainable livelihood approaches are market-based inter-sectorial linkages strategies, designed to link primary industry sectors with other economic sectors within an economy (Cai et al., 2006). This approach can be considered crucial for stimulating an economy as a whole (Meyer, 2006), enabling governments to

determine whether policies designed to strengthen economic linkages have succeeded (Cai et al., 2006). Despite their potential, these type of linkages are rarely seen and are difficult to develop (Torres & Momsen, 2004).

Poverty reduction strategy papers (PRSP) are prepared by the International Monetary Fund (IMF) and the World Bank, and are utilized when determining debt relief for countries (Marcus et al., 2002). This approach is central to international development assistance in many countries and donor agencies (Marcus et al., 2002). PRSP require poverty reduction strategies to be approved by the World Bank and IMF, leading to qualifications for debt relief and concessional loans (Marcus et al., 2002). PRSP can promote pro-poor growth (Craig & Porter, 2002).

Not-for-Profit Poverty (NFP) Model

Historically, government strategies have also been used in association with traditional market approaches to achieve sustainable development (Chu, 2007). These models include micro-finance initiatives, aid agency programs, value chain initiatives, and enabling environments, and are discussed below.

Micro-finance initiatives and aid agency programs have been a hallmark of development assistance for a number of years (Kirchgeorg & Winn, 2006; Yunus, 1998, 2008). More recently, value chain initiatives have emphasized raising the competitiveness of entire industries. The Overseas Development Institute encourages pro-poor tourism projects (Cattarinich, 2001; Torres & Momsen, 2004). Enabling environment programs have targeted policy reforms to transition informal market activities to a more *Western* legal and regulatory business environment (Craig & Porter, 2003). As research in existing market-based models demonstrates, these strategies appear to have no long-lasting effects. According to some commentators (Hahn, 2009), government strategies which develop profit driven private sector engagement is key to unlocking the economic potential of developing countries (Hahn, 2009). Overseas private sector actors can facilitate economic activity nationally, regionally, and internationally (Garforth, Phillips, & Bhatia-Panthaki, 2007). Profit-driven private sector engagement in developing countries promoting business-led enterprise solutions to mitigating poverty and achieving sustainable development is regarded as the Base of the Pyramid (BoP) approach (McFalls, 2007). In summary, the aforementioned

deficiencies of government strategies and not-for-profit approaches (Table 2.1) toward mitigating poverty have resulted in little long-lasting effects (Rüdiger, 2009). Detractors such as Kakwani and Pernia (2000) and more recently Fitch and Sorensen (2007) have highlighted that such approaches have distorted economies, resulting in developing country loss of growth leading to further decline in well-being. In response, the United Nations has called for and actively endorses the promotion of the BoP concept (Wilson & Wilson, 2006) to progress the development of the Millennium Development Goals.

BoP Models

As discussed below, there are principally four BoP conceptual market-based poverty models: Prahalad's (2004) 12 principles for innovation to a BoP approach, second generation BoP protocol (Simanis & Hart, 2008b), doing business with the poor: a field guide (World Business Council for Sustainable Development, 2004), and London's (2007) six core principles to a BoP model (Table 2.2). In regard to the first model, Prahalad (2004) proposed 12 principles that constitute the building blocks of a philosophy of innovation for developing markets. Prahalad asserted that potential growth for MNCs and medium-sized companies does not rest on the small high-income end market of the developing world. Rather, its source is the mass low-income people that are joining the market for the first time.

Prahalad's (2004) BoP approach to corporate profit earnings has gained considerable attention in the marketing literature. The author challenges for-profit corporations to be innovative and discover ways to profitably serve developing markets (Landrum, 2007), while alleviating poverty (D. A. Pitta et al., 2008). Landrum (2007) suggested that an underlying assumption of Prahalad's approach is that MNCs can determine what the poor, as consumers, want; MNCs need to identify profitable ways of doing so. This assumption, however, while clear, appealing, and enlightening has not been accepted in an unqualified manner (McFalls, 2007; D. A. Pitta et al., 2008). Second, Simanis and Hart (2008b) proposed a second generation BoP protocol, the model of which has emerged from case projects. At its core, the model embeds a process of co-invention and co-creation. This strategy encourages companies to develop close personal business partnerships with underprivileged communities. Mutual value constitutes creating value for all partners in each stage of the process. Co-creation captures a need for companies to work in equal partnership with economically disadvantaged communities.

Table 2.2 - Four Principle BoP Conceptual Market-Based Poverty Models

Critical Considerations	Prahalad (2004) 12 principles for innovation to a BoP approach	Doing business with the poor: a field guide (World Business Council for Sustainable development, 2004)	London (2007) 6 core principles to a BoP model	Second Generation BoP Protocol (Simanis & Hart, 2008b)
<i>Core Concepts</i>	Twelve principles to a BoP approach that aims to sell to the poor. MNCs determine what the poor, as consumers, want.	Associated with the sustainable livelihood approach. The model involves a blended value approach, within which social and financial values are combined, based on corporate social responsibility.	Six core principles to a BoP model. Each principle is embedded in one of the following components of a BoP venture's development: design, implementation, performance, and view of the business environment.	A proposed a second generation BoP protocol. The model is a process-based framework by which a corporation can acquire a deep understanding of local needs and perspectives and then develops sustainable business models in partnership with low-income communities.
<i>Limitations</i>	Does not consider CSR like World Business Council for Sustainable Development (2004) does.	Do not discuss BoP. The approach is CSR related.	Does not look at selling to the poor as Prahalad does.	Advocates direct NGO involvement where as Prahalad advocates NGOs at arm-length.

Critical Considerations	Prahalad (2004) 12 principles for innovation to a BoP approach	Doing business with the poor: a field guide (World Business Council for Sustainable development, 2004)	London (2007) 6 core principles to a BoP model	Second Generation BoP Protocol (Simanis & Hart, 2008b)
<i>Theoretical Gap</i>	Prahalad's framework provides no comprehensive set of components.	This approach is framed by a company's corporate social responsibility (CSR) strategy.	London's (2007) principles are derived from extant BoP research.	This model does not address a partnership, or consortia, of MNCS.
<i>Research / Methodology</i>	Several of the case examples put forth in the book are non-profit organizations or small to medium size enterprises rather than MCSs	This model is based on case projects and has three core principles entitled: focus, partner, and localize.	N/A	Two case projects.

Critical Considerations	Prahalad (2004) 12 principles for innovation to a BoP approach	Doing business with the poor: a field guide (World Business Council for Sustainable development, 2004)	London (2007) 6 core principles to a BoP model	Second Generation BoP Protocol (Simanis & Hart, 2008b)
<i>Applications</i> <i>(Where Used)</i>	Jaipur Rugs in India; ITC e-Choupal in India; Icici Bank in India; Aravind Eye Hospital in India.	Suez, who found new partners to help it deliver water to poor neighborhoods in Brazil; <i>SC Johnson</i> , which sources product ingredients from poor farmers in Kenya; And other geographical case sites.	N/A	In 2005, SC Johnson launched a BoP Protocol initiative in Kenya; less than a year later, in 2006, a DuPont subsidiary, The Solae Company, launched a BoP Protocol initiative in India.

The BoP protocol (Enterprise for a Sustainable World, 2006) provides a market-based approach to poverty alleviation. A key concept of the protocol involves deep listening and mutual dialogue to garner the input of economically disadvantaged communities in determining what best meets with their needs, as the approach assumes that MNCs do not necessarily understand the needs of economically disadvantaged communities (Landrum, 2007).

Third, the World Business Council for Sustainable Development (WBCSD) offers the doing business with the poor: a field guide (World Business Council for Sustainable Development, 2004). Associated with the sustainable livelihood approach, this model involves a blended value approach, within which social and financial values are combined, based on corporate social responsibility. As such, economically disadvantaged communities are perceived as participants within a corporation's value chain. This model is based on case projects and has three core principles entitled: *focus*, *partner*, and *localize*. The concept of *focus* examines organizational core competencies, suggesting that companies that concentrate on key strengths are favorably positioned to confront issues effectively and make viable businesses. Additionally, consistency in portfolio activities can be achieved, resulting in future pro-poor projects that can become mainstream. *Partner* argues for teaming up across cross-sectors, and transcending various business, non-governmental organizations, and government divides, contending that companies should involve in their business processes development, organizations that share similar goals. The partnership model is designed to replace previous adversarial models to poverty mitigation. *Localize* champions indigenous value creation when necessary commercial infrastructure and support systems, prevalent in traditional markets, are underdeveloped. Utilizing local networks and knowledge is considered key to this perspective.

Fourth, existing research on the BoP perspective indicates that there are six core principles that, when combined, are distinct from other poverty alleviation approaches (London, 2007). Each principle is embedded in one of the following components of a BoP venture's development: design, implementation, performance, and view of the business environment. London's (2007) BoP conceptual model (Figure 2.1) involves six core principles: external participation; co-creation; connecting local with non-local;

patient innovation; self-financed growth; and focusing upon what is right for the BoP market segment, the principles of which are discussed below.

External participation requires the presence and participation of ventures in developing markets (London, 2007). Major corporations are targeted to play an active leadership role in promoting sustainable development (McFalls, 2007). In terms of *co-creation*, local co-invention (Kolk, Rivera-Santos, & Rufín, 2013) and bottom-up development are key components to successful BoP ventures (Whitney & Kelkar, 2004). Companies leverage the productive capacity of the underprivileged as inputs to business (Silverthorne, 2007).

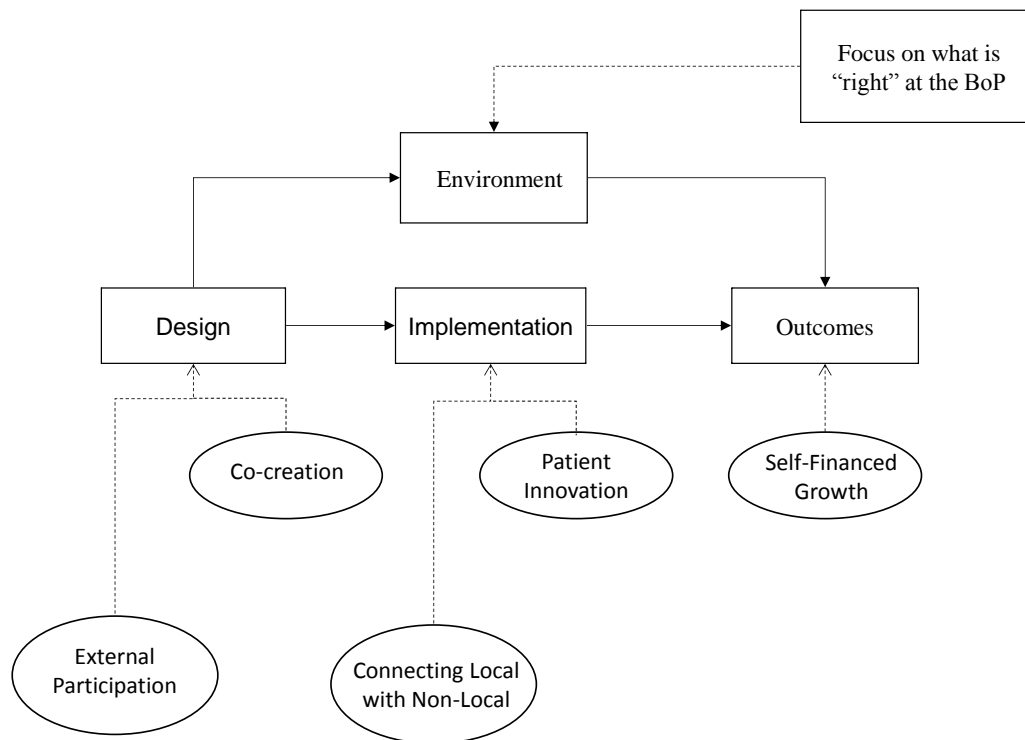


Figure 2.1- The London (2007) BoP Model

In relation to *connecting local with non-local*, a BoP-as-producer venture means taking locally produced goods, such as agricultural produce, and selling them in non-local markets, including both wealthier in-country and international markets (Arnould & Mohr, 2005). In terms of *patient innovation*, companies are challenged to find ways to bring BoP initiatives to scale and sustainability within times frames dictated by traditional corporate targets (Silverthorne, 2007). Delayed future cash flows are

discounted for the long term (Seelos & Mair, 2007b). *Self-financed growth* involves striving for competitive advantage and maximizing the benefits that might accrue to BoP ventures and their partners (London, 2007). Creation of a BoP business model requires bringing an operation to scale from their own bottom line (Silverthorne, 2007). *Focusing on what is right for the BoP market segment* principle relies on the presence of resources, expertise, and social infrastructure in the developing community to be utilized, with ventures building from the bottom-up (Hart & London, 2005).

Uncertainty prevails with these models which are predicated on case projects requiring further research in determining replicability and scalability (Simanis & Hart, 2008b; World Business Council for Sustainable Development, 2004). Extant research has yet to provide insights into managing and assembling market-based models, within a given context, in pursuit of creating value (Seelos & Mair, 2007b). Given that social creation is deemed a social entrepreneur's principal aim, during which economic development is a necessary offshoot that ensures venture sustainability (Mair & Marti, 2006), analysis of social entrepreneurship processes is considered essential to discovering novel ways (an entrepreneurial process) to provide services that cater to social value (Seelos et al., 2005). According to Seelos and Mair (2007b), the role of social entrepreneurship can stimulate thinking and the acting towards developing new BoP business models in developing nations.

Social Entrepreneurship

A review of the social entrepreneurship literature indicates that for nearly two decades, social entrepreneurship has been viewed through a variety of conceptual lenses; yet, very few studies have yielded empirical findings that allow researchers to make broad, or even in-depth conclusions about the nature of social entrepreneurship (Short, Moss, & Lumpkin, 2009). Santos (2012) has echoed these sentiments, asserting that *despite the increasing academic interest in social entrepreneurship, the management field still lacks a good conceptual understanding of the economic role and logic of action of social entrepreneurship* (p. 3). As a result, the social entrepreneurship conceptualization can be considered inadequately defined, and its boundaries with other disciplines of study correspondingly ambiguous (Mair & Marti, 2006; Santos, 2012).

As there are many definitions that emphasize distinctive aspects and dimensions of social entrepreneurship (Nichols & Young, 2008), the concept can have different interpretations to various people (Dees, 1998a). In illustration, to a segment of researchers, social entrepreneurship can signify not-for-profit initiatives, which seek alternative funding schemes, or management strategies, that create social value outcomes (Austin et al., 2003). Other researchers identify social entrepreneurship as commercial businesses, adopting socially responsible practices, engaging in cross-sector partnership (Sagawa & Segal, 2000; Waddock, 1988). Complementing the differential of interpretations, Mair and Marti (2006) notice the conceptual differences between definitions:

Definitions of social entrepreneurship typically refer to a process or behavior; definitions of social entrepreneurs focus instead on the founder of the initiative; and definitions of social enterprises refer to the tangible outcome of social entrepreneurship (p. 3).

In relation to how BoP approaches address poverty mitigation, the following section examines different depictions of a social enterprise. It should be noted that the various definitions have contributed to definitional and operational ambiguities. Noteworthy, the following section culminates in a conceptualization of what is meant by a SBE.

Social Enterprise Definitions

According to Fitch and Sorensen (2007), MNCs are increasingly interested in operating in developing countries, with an explicit objective of improving social outcomes: *Over the past five years there has been growing interest in this area, with many companies involved through such organizations as the World Business Council for Sustainable Development in researching ways of profitably working in low-income markets (p. 784).* However, according to Brugmann and Prahalad (2007), MNCs and NGOs face challenges associated with defining clear boundaries within which socially responsible corporations should operate. Moreover, understanding the complexity of social enterprises within developing states has yet to provide a functional framework for market-based approaches (Pitta, Nielsen, & Samia, 2008), such as the BoP.

In efforts to reconcile such challenges, Bruggmann and Prahalad (2007) contended that companies and NGOs operating in developing countries need to learn and leverage off each other: *Realizing that they each possess competencies, infrastructure, and knowledge that the other needs, to be able to operate in low-income markets, companies and NGOs are trying to learn from and work with each other* (p. 3).

Owing to heightened interest in social enterprises and social entrepreneurship (Galera & Borzaga, 2009), coupled with the variety of stakeholders involved, terminology remains imprecise (Bielefeld, 2009). For example, terms such as social enterprise and social venture are used interchangeably with social entrepreneurship (Defourny & Nyssens, 2010; Peredo & McLean, 2006). Bielefeld (2009) considered that such definitional and operational issues act as a source of confusion and contention, with Certo and Miller (2008) flagging that clear or unequivocal definitions needed to be developed. Additionally, there are opposing views on whether a goal of social enterprise policy should be geared towards not-for-profit (NFP) or for-profit ventures (Allan, 2005; Haugh, 2005).

Viewing social enterprises as double bottom line businesses places the sector in direct competition with private companies (Ridley-Duff, 2006). As a result, mainstream businesses, and not just social enterprises, can claim effective stakeholder involvement, commitment to diversity, and practices that address social development as part of their strategy for economic and social success (Heskett & Kotter, 1992; Wieland, 2005). This intersection in values and social goals, therefore, can increase the need for a theoretical framework that can accommodate the blurred areas between public, social, and private enterprises (Ridley-Duff, 2006). Bachiega and Borzaga (2003) extended the perspective of a social enterprise to incorporate the academic elements of institutional theory. These authors characterized *stakeholders* into several categories, including beneficiaries, employees, volunteers, public authorities, donors, and board members, inter alia. According to Defourny and Nyssens (2010), such structures are recognized and required by law in countries such as in Italy, Portugal, Greece and France. The perspective advocated by Bachiega and Borzaga (2003) underpins this thesis along with institutional theory (Campbell, 2007), within which stakeholders encompass individuals or groups who have a stake or a vested interest with a corporation.

This thesis also recognizes Mook et al's, (2012) social enterprise characterization that social enterprises can be differentiated from NFP businesses in that they can source alternative forms of financing. In contrast to traditional NFP organizations, which are dependent on grants and donations to achieve their social goals, social enterprise can engage in revenue earning activities in order to fund their social missions, thus achieving sustainability (Thompson & Doherty, 2006). Self-financed social ventures can be regarded as innovative in that new ways to accomplish social change and to finance their missions are required (Brooks, 2009; Mair & Marti, 2006). This view is indicative of the approaches of NGOs striving to achieve MDGs in developing countries. A number of NGOs are designed to identify specific commercially sustainable solutions, by way of self-financed growth, that enable MNCs to embark upon BoP ventures. Consistent with this perspective, Mook et al. (2012), Alter (2002) and Nicholls (2006) suggested that social enterprises can be defined as fully self-funded organizations. Similarly, Haugh and Tracey (2004) declared social enterprises are businesses that trade for a social purpose. In light of this discussion, and in line with Yunus (2006), this thesis takes the position social business enterprises utilize market-driven principles dedicated to improving the lives of economically disadvantaged communities.

Social Enterprise Conceptualization

Social enterprise can be defined as a multifaceted structure composed of social entrepreneurship orientation (SEO) and learning orientation (LO). Adhering to the Mort et al's, (2003) depiction, SEO (Figure 2.2, p. 39) comprises of four central components: being entrepreneurially virtuous in relation to social missions; a balanced judgment capacity of purposefulness and action when confronted with moral ambiguity; an ability to recognize and single out social opportunities; and the strategic decision-making characteristics of Entrepreneurial Orientation (EO) involving risk-taking, proactiveness, and innovativeness (Lumpkin & Dess, 1996). A Commitment to Learning, Shared Vision, and Open Mindedness constitute the LO (Figure 2.3, p. 43). Over and above, pertinent BoP literature (London, 2007; Rivera-Santos & Rufin, 2010) reveals additional attributes are required that assist in building a multifaceted structure of a social enterprise including: Stakeholder consultation; encouragement building; and market access strategies.

Stakeholder Consultation

Scholars, executives, and community leaders are calling for MNCs to not only become more accountable to their external stakeholders but also to participate in increased collaborative dialogue with their local communities (Calvano, 2008). Almost thirty years ago, Greider (1977) affirmed that increased discourse between governments and MNCs was taking place owing to increased trade and loan agreements. However, in light of multi-stakeholder negotiations, issues can arise requiring the involvement of other parties who might undertake a mediating role (Banerjee, 2001). NGOs tend to assume an intermediary role while concurrently taking on the role as a legitimate stakeholder representative (Newell, 2005). In recent years, NGOs have placed an increasing emphasis on inter-sectorial linkages (cross-sector alliances) with firms, aimed at providing organizational legitimacy to businesses, and advancing responsibility and transparency (Rondinelli & London, 2003).

Communication, dialogue, and strategies are deemed important when dealing with stakeholders who hold positions (Calvano, 2008). In seeking to respond to criticisms regarding the social and environmental actions of MNCs, firms have increasingly looked towards stakeholder dialogue and engagement to increase trust and accountability, and to deliver improved ways of communicating their commercial activities (Burchell & Cook, 2006). Nonetheless, while stakeholder dialogue has become an increasingly central aspect of company strategy, there is little detailed analysis, by which to assess the impact of these dialogue processes geared towards improving relationships between business and community. Similarly, little research has been conducted into the way in which dialogue impacts upon company strategy and policy, or upon how the dialogue process is perceived by the communities that companies seek to bring to the table (Burchell & Cook, 2006; Maak, 2007).

True engagement with communities and sensitivity to local causes calls for improved communication capabilities. Effective communication can be difficult to achieve without participation in local networks, and access to these networks can be problematic for a foreign stakeholder, particularly MNCs. Policy of partnering with NGOs can make sense in this context. MNCs can benefit NGOs by furthering their work, fulfilling a positive role by providing MNCs knowledge that can be employed to avoid mistakes when dealing with local cultures (Millar, Choi, & Chen, 2004).

Encouragement building

According to Tan (2004), while developing countries might not have the legal framework in place to deal with MNCs, business might not have appropriate strategies that align with the social goals of communities. Prahalad (2004) championed the establishment of partnerships with economically disadvantaged communities, who form a significant part of the value chain. Hart and Simanis (2008) acknowledged the importance of transferring skills to economically disadvantaged communities. Although Hahn (2009) argued that it is virtually impossible to improve the situation of underprivileged communities by copying the resource-intensive western way of living owing to the limited carrying capacity of the impoverished. NGOs can play a vital role in educating and empowering MNCs to work with economically disadvantaged communities (Shamir, 2004). Through self-empowerment, innovation can prevail leading to enterprising strategies for socially acceptable and sustainable business strategies. For example, inter-sectorial linkages can enable MNCs to contribute to economic growth in developing countries by leveraging core business skills (Cai et al., 2006).

Market access strategies

MNCs can play an important role in poverty alleviation, however, Webb et al. (2010) asserted that the international business literature lacks theoretical insight and systematic evidence concerning the best methods MNCs can employ to enter the markets of developing countries. In recent times, organizations such as Unilver, Cemex, and Vodaphone, reported having made profits and having advanced poverty mitigation (London & Hart, 2004). Noteworthy, entering developing countries can present unique challenges for foreign MNCs that differ from established markets (Schuster & Holtbrügge, 2012).

Despite increasing academic interest in developing countries, concerns of entry modes of MNCs into low-income markets remain (Rivera-Santos & Rufin, 2010). Hart and Sharma (2006) stated that developing countries can take *a firm outside of its comfort zone of existing markets, technologies, products, and business models; it forces managers to operate in contexts that are socio-culturally, environmentally and economically very different from their current experience. In contrast, the extant*

international business literature emphasizes growth through markets that are geographically adjacent or culturally similar (p. 12). Webb et al. (2010) noted that studies on business undertakings in developing countries does not differentiate between developed and undeveloped regions of these nations. Instead, research has classified these nations as homogeneous in terms of region industry, economic development, and socio-cultural factors.

Social Entrepreneurship Orientation

At the center of the Mort et al. (2003) model, Social Entrepreneurship Orientation (SEO) can be classified as a multidimensional structure (Figure 2.2) that embodies four central components: the demonstration of being entrepreneurially virtuous when focusing upon a social mission; a balanced judgment capacity of purposefulness and action when confronted with moral complication; an ability to recognize social opportunities; and the strategic decision-making characteristics of Entrepreneurial Orientation (EO) – risk-taking, proactiveness, and innovativeness (Lumpkin & Dess, 1996).

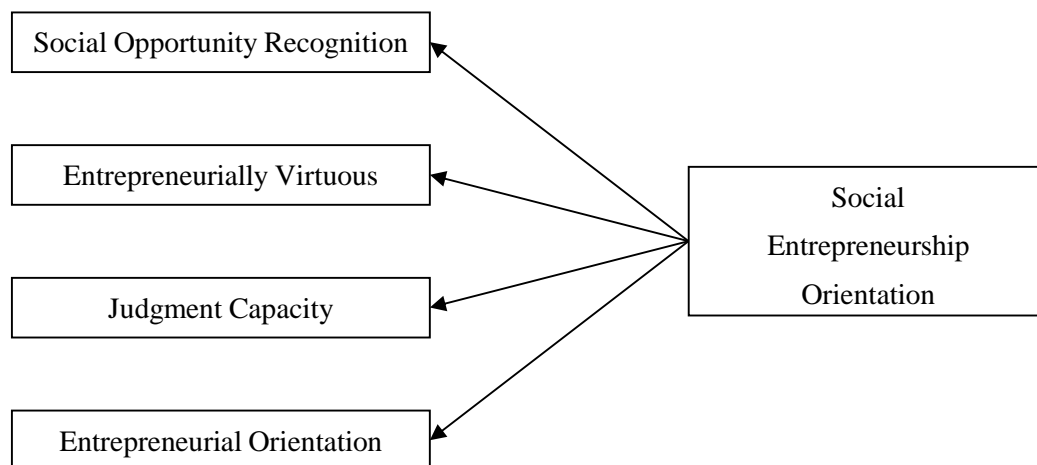


Figure 2.2 - Social Entrepreneurship Orientation (Mort et al., 2003)

Premised on the capability-based theories of competitive advantage, Mort et al. (2003) suggested that NFPs pursuing a path of innovation must build and nurture distinctive capabilities designed for social value, contending that innovation can be considered a process of knowledge acquisition and integration.

According to Mort et al. (2003), three key issues confront attempts to conceptualize this construct: NFPs distinctive business purposefulness, social entrepreneurs operational environment, and the ill-definition of social entrepreneurship. First, NFPs mission objectives differ from for-profit firms, *which is to provide some form of exchange that results in increased social value* (p. 80). Additionally, NFPs can also confront servicing multiple stakeholders, such as government, special interest groups, donors, employees, inter alia, each containing divergent and specialized objectives. Second, the authors argue that the commercial environment in which NFPs operate present both market opportunities and funding challenges. *...This context highlights the dual nature of strategies that must be pursued by NFPs for their survival and growth: those that are commercially successful and those that fulfil the social mission* (p. 80). Finally, the term social entrepreneurship can be characterized several ways. For example, social entrepreneurship can symbolize NFP start-ups where grants are awarded directly to the social entrepreneur (Ashoka Foundation, 2012). Another depiction involves: *applying tools and strategies of business to reframing the planning for social ventures. Thus tools such as business plans, venture capital and business mentoring are being used by organizations such as Social Ventures Australia to herald a new approach in NFPs* (p. 80).

With a view to capturing the multiple activities that need to be performed by social entrepreneurs, this thesis adopts the Mort et al. (2003) multidimensional conceptualization of social entrepreneurship. The authors propose that social entrepreneurship comprises of four central components: the expression of entrepreneurial virtuous behavior to achieve a social mission; a balanced judgment capacity of purpose and action in the face of moral complexity; the ability to recognize social value creating opportunities; and the central decision-making features of Entrepreneurial Orientation (EO): risk-taking; proactiveness; and innovativeness (Covin & Slevin, 1986).

Social Opportunity Recognition

Debated in for-profit firm literature, the theoretical element facilitates the seizure of the social value creation process of NFPs. Based on Singh (2001), Mort et al. (2003) propose that a socially entrepreneurial opportunity can be considered commercially viable, leading to providing superior social value to the clients served by a NFP. In

contrast to profit-making entrepreneurs aimed at generating superior commercial value to its customers, social entrepreneurs pursue market opportunities in the objective of creating improved social value to their clients.

Entrepreneurially Virtuous

Mort et al. (2003) identified three behavioral criteria comprising being entrepreneurially virtuous that:

1. *the agent is consciously aware of what she/he is doing. In other words, the virtuous action did not occur accidentally or 'coincidentally',*
2. *the agent must choose to perform the virtuous action for its own sake, not for any ulterior motive, and*
3. *the agent must continue to act in this way until the action has become habituated* (p. 83).

Social entrepreneurs are compelled by a social mission to create enhanced social value. According to Mort et al. (2003), while the construct of being entrepreneurially virtuous requires further research, the entrepreneurial behavior is regarded as constructive, encouraging ethically good values such as integrity, truthfulness and understanding, the behavior of which must be actioned prior to being identified as undisputable virtues.

Judgment Capacity

Mort et al. (2003) proposed that *those individuals and collectives with high integrity capacity are likely to exhibit a coherent unity of purpose and action in the face of moral complexity* (p. 84). Integrity capacity involves four related dimensions: the process, judgment, and developmental and system integrity capacities (Petrick & Quinn, 2000). The behavioral characteristic of Judgment Capacity is regarded as *a superior ability to deal with complexity and to be able to prioritize, weigh and decide between conflicting activities to maintain the social mission as the central, prime and uncompromised purpose of the social enterprise* (p. 84).

Entrepreneurial Orientation (EO)

Mort et al. (2003) make a case that entrepreneurs can exhibit: a propensity of risk taking; proactiveness; and innovativeness. Accordingly, these characteristics are considered to contribute to the development of the behavioral component of

entrepreneurship. Conditional on the Lumpkin and Dess (1996) perspective that an essential act of entrepreneurship is *new entry* (entering new or established markets, by launching a new venture, either by a start-up firm, through an existing firm, or via internal corporate venturing), the Baird and Thomas (1985) framework of firm strategy provides insight into the meaning of risk taking. Baird and Thomas (1985) argued that three types of strategic risk exist: venturing into the unknown, committing a relatively large portion of assets, and borrowing heavily. The first two types of strategic risk are adopted as critical components of a definition of risk taking. Venturing into the unknown involves a sense of uncertainty that can apply to various types of risk such as personal risk, social risk, or psychological risk (Gasse, 1982). As a term of financial analysis, committing a relatively large portion of assets denotes risk in the context of risk-return trade off, heralding the probability of a loss or negative outcome. Proactiveness is identified as taking the initiative by anticipating and pursuing new opportunities in emerging markets (Lieberman & Montgomery, 1988). Finally, innovativeness is concerned with a focus upon technological innovation, acquiring a strong focus primarily on product and process development, engineering, research, and an emphasis on technological expertise and industry knowledge (Cooper, 1971; Maidique & Patch, 1982).

Learning Orientation

Organizations that are competent learners are referred to as learning organizations (Sinkula, Baker, & Noordewier, 1997). The investigators contend, however, that for the most part, scholars view organizational learning as a process, a cognitive enterprise, which progresses over time, but contrast on significant matters. Garvin (1993) defined a learning organization as *an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights* (p. 80). Fiol and Lyles (1985) had suggested that behavioral change is essential for learning, while Huber (1991) advocated that novel ways of thinking are sufficient. Senge (1990) proposed of the need for collective mental models, shared organizational vision, and open-minded approaches to issue solving. Sinkula (1994) called attention to market information processing systems (i.e., information generation and dissemination) as the key instrument in which learning can occur.

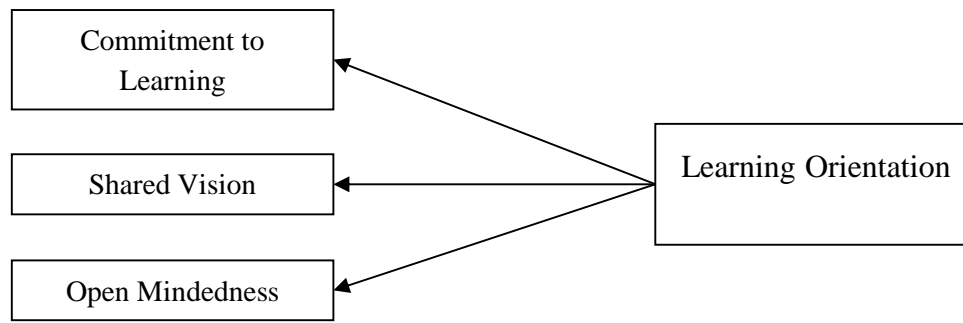


Figure 2.3 - Learning Orientation Characteristics (Sinkula et al, 1997)

In the development of a BoP poverty MDG conceptual model of a Social Business Enterprise, this thesis recognizes the Sinkula et al., (1997) LO perspective that organizational values, and organizational actions, are interrelated, and can be mediated by market information processing behaviors. Sinkula et al. (1997) postulation is premised upon two factors. Whereas LO pertains to a set of values, market information processing intrinsically entails knowledge-producing behaviors. Under the notion that values can drive behavior, it can be considered logical to study this primary relationship (McClelland, 1985). Second, managers who want to exploit how to take full advantage of organizational learning, not only need to know how to structure an organization that can engage in market information processing activities, but are also required to understand the type of organizational environment that can nurture the desire to use this structure (Slater & Narver, 1995).

Market information concerning the social values of economically disadvantaged communities, coupled with the need to understand an organization's operational environment, is considered a key ingredient in the development of a social business enterprise by way of a BoP approach, under the overarching framework of the MDGs. In further examination of LO in a social business enterprise context, Covin and Slevin (1986) proposed that the decision-making behaviors of social entrepreneurs are premised on the same three key dimensions related to decision making that are identified for commercial entrepreneurs: That is tolerance for risk, proactiveness, and innovativeness expressed in the context of the social enterprise. Slater and Narver (1995) proposed that these three characteristics can be associated with knowledge acquisition through exploration, challenging assumptions to create generative learning, and the rapid development of new behaviors to leverage learning. According to Mort et

al. (2003), these three behavioral characteristics, key to social entrepreneurship, can be considered instrumental in facilitating superior social value in dynamic environments.

This thesis adopts the Sinkula et al. (1997) conceptualization of LO as *giving rise to that set of organizational values that influence the propensity of the firm to create and use knowledge* (p. 309). Furthermore, these authors contend that LO can influence satisfaction levels and proactive learning outcomes of organizations. In other words, LO affects the information to which it attends, construes, evaluates, accepts, or declines (Dixon, 1992; Hedberg, 1981). In accord with Senge (1990), this thesis views the LO construct as entailing 3 primary elements: a Commitment to Learning, Open-mindedness, and Shared Vision (Day, 1994; Tobin, 1993).

Commitment to Learning denotes whether an organization has a tendency to foster a culture of learning. In illustration, Norman (1985) and Sackmann (1991) advocated that when an organization minimizes the value on learning, diminutive learning can occur. According to Sinkula et al. (1997), a Commitment to Learning is associated with:

Senge's (1990) discussion of learning principles (i.e., whether the value placed on the learning activity can be viewed as axiomatic), Tobin's (1993) notion of "thinking literacy" (i.e., whether the ability to think and reason is a value axiomatic to the organization), and Galer and van derHeijden's (1992, p. 11) belief that a "culture amenable to learning" is a prerequisite to its ability to improve its understanding of its environment over time (p. 309).

What is more, Shaw and Perkins (1991) championed that to be a learning-effective organization, firms need to value the understandings of the causes and effects pertaining to the activities of their company. Open Mindedness can be related to Nystrom and Starbuck's (1984) conception of unlearning. In case in point, an initial stage of unlearning occurs when long-held practices, expectations, and belief, are questioned by a firm. Unlearning is recognized to be at the core of organizational change, and open-mindedness can be considered as an organizational value, necessary for unlearning efforts to come to light (Sinkula et al., 1997).

Shared Vision differs from Commitment to Learning and Open Mindedness in that the direction of learning can be influenced, whereas commitment and open-mindedness can

impact the intensity of the learning (Sinkula et al., 1997). According to Day (1994), literature concerning organizational learning posits that shared vision is critical in the facilitation of proactive learning. In other words, this concept can act as a mechanism for learning, cultivating dedication, energy, and resolve among organizational members. However, when devoid of commitment, Norman (1985) and Senge (1990) postulated that organizational direction is less likely to be realized owing to a minimized incentive to learn. What is more, members can be decentivized to discern what organizational expectancies exist, what outcomes are to be measured, or what applied theories are operational.

In keeping with Dougherty (1989), firms without a shared vision can have multiple thought words. In relation to the BoP framework, the voice of economically disadvantaged communities is considered imperative if MNCs are to comprehend economically disadvantaged community values and norms (Arora & Romijn, 2012; Simanis & Hart, 2006). Sinkula et al. (1997) also suggested that collaborative efforts on novel product projects are predisposed to divergent views. Such contradictory expectations can destabilize a firm's competence to create appropriate and single-minded responses to dynamic operational environments, thus inhibiting organizational capabilities.

Slater and Narver (1995) championed the notion that a learning organization can be adaptive and generative. Sinkula et al. (1997) asserted that companies can endeavor to learn when confronted with environmental changes, that force adjustments. In support of this perspective, Jaworski and Kohli (1993) advocated that firms that respond to negative environmental traumas can encounter improved financial performance. The Sinkula et al. (1997) perspective underlies a contingency theory approach to environmental firm performance which is adopted by this thesis. A number of authors (Miller, 1992; Van de Ven et al., 2013) have purported that firms that can adjust over time to fit their changing and dynamic operational environments, can accomplish sustained commercial effectiveness. It is contended that social entrepreneurship can be articulated in an organizational setting, premised within a LO approach to capability building, social value delivery, and continuous competitive advantage (Mort et al., 2003). The authors continue to highlight that *this approach (LO) not only provides a meaningful and realistic path towards conceptualizing and measuring social*

entrepreneurship, but also for gaining insights into how social entrepreneurship can be developed and linked to ongoing capabilities within the organization (Mort et al., 2003, p. 86).

In light of the elements of Market Entry Enablers, and the orientations of Social Entrepreneurship and Learning, that form the theoretical constructs of a SBE, it is important to examine how a developing country's environmental resources and infrastructure, can act as a key platform for a SBE BoP approach. The subsequent section introduces scholarly literature that examines key BoP constructs called Consortium Building Capability, and Foreign Supply Chain Partnerships. Research reveals how these constructs are drawn out of, and compliment, a developing country's natural resource environment, vital components to building a BoP poverty MDG conceptual model of a Social Business Enterprise.

BoP: Key Issues

At the back of scholarly literature, novel commercial approaches to poverty mitigation are examined by associations with BoP writings (Simanis & Hart, 2008b). The following section discusses market-based academic themes, heralded by pertinent BoP scholars: local environment, strategic alliance building, and exogenous cross-sector partnerships. Local environmental (London, 2007) denotes BoP projects are to build from a developing country's local constraints; strategic alliance building (Millar et al., 2004) entails forming a BoP approach MNC strategic alliance that compliments a developing country's environmental capacity; and exogenous cross-sector partnerships that encompasses BoP approaches should involve external ventures (MNCs, NGOs or non-native individuals) to enter into developing markets where economically disadvantaged communities live and operate (London, 2007).

Local Environment

Emerging BoP literature has espoused that when designing BoP projects, a developing country's environmental local constraints needs to be taken into consideration (Berger & Nakata, 2013; Prahalad, 2004). Similarly, London and Hart (2004) championed that BoP ventures are encouraged *to understand, leverage, and build on the local social infrastructure present in in the informal sector* (p. 583). With this context in mind, this thesis accepts London's and Hart's (2004) proposition, coupled with Prahalad's (2004)

recommendation, that co-creative mechanisms are to be developed in an aim to create social value through BoP approaches. According to London et al. (2010), the ease of accessing business markets is critical for poor producers. For instance, in developing countries, manufacturing activities can be geographically scattered which cause market inefficiencies. Inadequate infrastructure (e.g., an absence of roads, insufficient communication networks, and transportation systems) can stymie producer efforts, influencing how market goods can be hauled economically.

In illustration of, London et al. (2010) emphasize the need of collaborative efforts to overcome local environmental constraints: *Despite the presence of demand, existing products may not be sold in non-local markets due to various constraints related to market access. In the case of Tiviski Dairy, for example, local herders produced camel's milk for local consumption, but had never sold it. Consequently, Tiviski chose to address the transactional constraints first by building an infrastructure to collect and distribute a perishable product like milk to distant non-local markets. Subsequently, Tiviski worked with the producers to upgrade their productivity* (p. 587).

In such case, co-development is portrayed as catalyzing business imagination, ensuring that BoP business models can be culturally-appropriate and environmentally sustainable by building off native local resources and capabilities (Simanis & Hart, 2008b). In addressing MNC core business skills, aimed at building-off a developing country's environmental resources and infrastructure, this thesis considers that business alliances is key to creating a social business enterprise aimed at the progressing the poverty MDG. As such, MNC strategic alliances, in form of consortium building, is considered a necessary capability to the BoP approach.

Strategic Alliance Building

The economics of globalization, coupled with the importance of the non-market environment and social issues, are posited to be fashioning a merger of relationships between NGOs, countries, and MNCs (O'Riain, 2000; Prakash, 2002). Of late, Millar et al. (2004) emphasized the role of NGOs in the transfer of institutional knowledge practices among developing countries and business. The authors highlighted that NGOs are merging their public and private roles, while establishing new types of strategic alliances and collaborations with MNCs, and other sectors of society. Millar et al.

(2004) justified such partnerships between MNCs and NGOs by contending that NGO partnering is possible through attained heightened value (such as the social capital and institutional linkages of NGOs) when MNCs consider the non-market advantages of partnering with NGOs.

In examination of strategic alliance building, Hamann, Pienaar, Boulogne, and Kranz (2011) state that: *Cross-sector partnerships involve some form of structured collaboration between organizations from business, government and civil society on the basis of converging interests, focused on achieving joint objectives. Partnerships exist on different scales and take different forms, but they have in common the expectation that the participants can achieve their objectives more effectively and efficiently through strategic alliances with others rather than acting independently* (p. 4). This form of collaborative advantage (Huxham & Vangen, 2000) is believed to be realized when such joint undertakings pool complimentary resources, risk sharing, and bonuses (Warner & Sullivan, 2004).

A major challenge to creating strategic alliances; however, is the acquisition of knowledge to assembling such networks. Koka and Prescott (2002) acknowledged the complexity of interdependencies between firms, with strategy researchers having progressed from a two-fold level of analysis, to a network level in the aim of understanding network dynamics (Ahuja, 2000; Shan, Walker, & Kogut, 1994). In more recent times, Todeva and Knoke (2005) advocated that strategic alliances can be viewed as not exclusively trading partnerships, but also new business forms that enable the partners to enhance their business relationships in various ways. This thesis contends that strategic alliances can be orchestrated into a consortium of MNCs, created to build BoP projects that advance the poverty MDG in developing countries. In doing so, exogenous cross-sector partnerships are considered key in the process of BoP development and application.

Exogenous Cross-Sector Partnerships

According to London (2007), *the BoP perspective requires the entry of an exogenous, or external, venture or entrepreneur into the informal economy where the poor live and operate* (p. 14). Scholars (e.g., Sanchez, Ricart, & Rodriguez, 2007) have analytically revealed that entry into developing countries, by MNCs, requires the development of

new commercial strategies and competencies. In inter-sectorial linkages, MNCs contribute complementary commercial capabilities (core business skills) along a supply chain, when neither party/s can undertake independently (Cai et al., 2006). Linkages between MNCs and indigenous stakeholders can lead to an introduction of new technologies in host countries (Gorg & Ruane, 1998). The study of exogenous cross-sector partnerships can be regarded as important for developing countries so that positive growth stimuli, among business sectors, can be identified and fostered. The approach aims to redress various socio-economic problems such as poverty and unemployment (Kaur, Bordoloi, & Rajesh, 2009). In the mid-1990s, an increasing level of interest in inter-sectorial linkages manifested, in part, due to the increasing globalization of production, and the importance of MNCs and foreign direct investment (FDI) for host countries (Nations., 1997). However, recent studies (Blunch & Verner, 2006) suggested that there remains a significant gap in the growth literature as most inter-sectorial linkage studies have been conducted for developed countries. The significance of inter-sectorial linkages is highlighted in technology spill-over literature from MNCs to indigenous firms. As Blomström and Kokko (1996) point out, in the case where firms are interlinked, *local firms may be able to improve their productivity as a result of forward or backward linkages with MNC affiliates [or] may imitate MNC technologies* (p. 1). As a result, inter-sectorial linkages can lead to a generation of new technologies being introduced in host developing countries as indigenous stakeholders learn through partnered MNCs (Gorg & Ruane, 1998).

In addition to the legitimacy of the BoP constructs of local environment, strategic alliance building, and exogenous cross-sector partnerships, scholars (Arora & Romijn, 2012; Sanchez et al., 2007) contend of the imperativeness to co-invent and co-create with economically disadvantaged communities, to ensure successful BoP ventures. If the BoP hypothesizes that mutual value creation (London, 2007) is to be achieved, then dynamic capabilities are also key to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise.

Social Business Enterprise Co-creation Capabilities

In an effort to overcome a pre-occupation of Western style business approaches, scholars (Hart & Dowell, 2011; Lim, Han, & Ito, 2013) have counseled that developing countries require new and innovative commercial capabilities. For example, facilitating

relationships between economically disadvantaged communities (Hall, Matos, & Martin, 2014), supply chain partners (Porter & Kramer, 2006), NGOs, and community groups within developing countries (Brugmann & Prahalad, 2007; Silvestre & Neto, 2014), are required for successful BoP projects (London, 2007).

Strategic alliance processes have the potential to create value for non-traditional stakeholders, including economically disadvantaged communities, who have insufficient capacity to co-create value with firms (Segel, Meghji, & Garcia-Cuellar, 2007). Supporting this perspective, Dahan, Doh, Oetzel, and Yaziji (2009) proposed that MNCs should consider collaborating with NGOs in an effort to facilitate new modes of value creation. Arora and Romijn (2012) support this view stating that: *A host of parties such as local governmental agencies, NGOs, other types of civil-society organizations must also be involved as co-creation partners because they bring essential unique knowledge, skills, assets and experience to the table* (p. 486).

Of note, Sanchez et al. (2007) advocated that firms should develop a multitude of co-creative capability components associated with economically disadvantaged communities in order to create social value. These authors contend that companies should build alliances that enable economically disadvantaged communities to interact with different specialized players in the market chain. In doing so, firms can then leverage on the distinct competencies that underlie their networks. In an effort to generate pertinent co-creative capabilities, as discussed below, this thesis examines three competencies that are associated with co-creation: bricolage, knowledge management, and trust. Bricolage involves making do with extant resources at hand when addressing such entrepreneurship issues and prospects (Baker, 2007). Knowledge management denotes sourcing stakeholder knowledge in application of BoP approaches (Prahalad, 2010). Trust entails nurturing and fostering trust amongst stakeholder participants while pursuing co-creative efforts (London et al., 2010).

Bricolage

Contemporary literature identifies key issues concerning the application of combinations of resources, at hand, to new problems and opportunities (Baker, 2007; Baker, Miner, & Eesley, 2003). Such resource mobilization can play an essential role in the process of entrepreneurship (Baumol, 2010; Hsu, 2008; Shane, 2003). While

entrepreneurs can finance social ventures from their private savings (Aldrich, 1999), the capital, material, or expertise required to harness entrepreneurial opportunities can be thin on the ground (Shane, 2003). Moreover, as access to extant resources diminishes, entrepreneurs can be confronted with the reality of disbanding or exploring alternate sources of capital (Dushnitsky & Lenox, 2005; Sapienza & Gupta, 1994). Social ventures operating in developing countries can encounter environmental challenges including obtaining scarce resources, or resources or infrastructure that are inadequate (Collier, 2008; Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2008), or where institutional mechanisms (finance) are nonexistent or lacking (Kistruck, Webb, Sutter, & Ireland, 2011). Consequently, BoP projects are required to address such constraints (Di Domenico, Haugh, & Tracey, 2010) by tapping into existing local resources, capabilities, and knowledge (Desa & Basu, 2013; Faulconbridge, 2013; Simanis & Hart, 2008b).

Knowledge Management

The acquisition of local knowledge is key to mutual value BoP venture success (Ramani & Mukherjee, 2014; Simanis & Hart, 2008b). Clearly, initial or a priori assessment of how economically disadvantaged communities live and the ways in which they challenge their local problems needs to be undertaken prior to business engagement in a developing country (Schafer, Parks, & Rai, 2011). Therefore, a combination of contemporary technical expertise tailored to the local lifestyles and culture of economically disadvantaged communities is required (Gupta & Khilji, 2013). According to Faulconbridge (2013), present focus has shifted to the potential for mutual learning among industrialized and developing countries: *By replacing tendencies towards forms of colonial thinking that lead to knowledge mobility's being envisaged as something that involves flows from the 'West' to the 'Rest', it becomes possible to analyze the extent to which knowledge gained by MNCs from working in one BoP (developing) market can, when filtered through the bricolage/translation/mutation process, be used to help in the development of other BoP (developing) markets* (p. 3). Having said that, this debate highlights that this emerging area of knowledge management can be considered under-developed, requiring further empirical research (Follman, 2012).

Consistent with the preceding discussion, Ray and Kanta Ray (2011) advocated for the importance of sourcing local knowledge, highlighting that developing countries acquire unique characteristics that can present insurmountable obstacles to foreign MNCs when undertaking commerce. Gardetti (2005) noted that most firms have difficulty recognizing economically disadvantaged communities as a source of knowledge value, which culminates in a failure to build trust with these underprivileged communities. For this reason, Ansari et al. (2012) championed that through social bonding and bridging social capital, increased knowledge transfer between MNCs and economically disadvantaged communities can occur, leading to the development of mutual trust.

Trust

Co-creative partnerships need to be generated in order for mutual value to be realized (London et al., 2010). In the context of successful BoP applications, London et al. (2010) postulated that building trust with economically disadvantaged communities is as crucial as garnering finance, technical, and other fundamental resources. Simanis and Hart (2008b) stated that community-based organizations play a critical role in the generation of trust amid businesses and economically disadvantaged communities. Similarly, Rushton (2002) signaled that MNCs needed to become adept at collaborating and working with economically disadvantaged communities, commenting that: *If one of the consequences of globalization is a growing distrust of large corporations, how do companies go about building their reputation and earning trust? How do they enhance their social capital?* (p. 138).

In support of Rushton's position, Webb et al. (2010) declared that economically disadvantaged communities often hold a level of distrust for foreign MNCs dating back to colonialism, contributing to the observation that *MNCs cannot easily tap into the local society's informal networks. Local societies often hold a level of distrust for foreign corporations dating back to colonialism. Without an initial level of trust, the local society is less likely to embrace the presence of and develop relationships with MNCs. Therefore, multinationals alone cannot access factors and resources needed to exploit opportunities from local informal networks* (p. 563). Establishing trust can be considered to be an essential ingredient of BoP ventures. Without trust, foreign MNCs are unable to develop the required knowledge that is needed to overcome constraints associated with developing markets (Schuster & Holtbrügge, 2012). Echoing these

sentiments, Badry (2009, p. XV) asserted that *the establishment of trust, especially in cross-sector partnerships, turns out to be essential in order to succeed in the approach to serve low-income consumer markets.*

This chapter has examined pertinent scholarly literature that adds to the development of successful implementation of BoP approaches. As this thesis seeks to develop a BoP poverty MDG conceptual model of a Social Business Enterprise, the subsequent chapter of Chapter 3 analyzes the conceptual frameworks that provide credence to underpinning the BoP approach.

Chapter 3

Theoretical Conceptualization

This chapter involves a review of four theoretical frameworks which underpin this thesis: Institutional theory, Contingency theory, Natural Resource Base View (NRBV), and the Dynamic Capabilities. The latter comprises of Strategic Alliances, Knowledge Management, and Trust. These three capabilities enable the development of sustainable collaborative partnerships with MNCs to advancing the United Nations poverty MDG by way of BoP application.

Institutional Theory, Contingency Theory, NRBV, and Dynamic Capabilities

As discussed below, four interrelated theories underpin this thesis. Institutional theory (Campbell, 2007) acts as an umbrella for the subsequent theories, and involves how a firm's macro (external) environment directs strategies, that require organizational interaction and adaption. Contingency theory (Van de Ven et al., 2013) necessitates how a *fit* between a firm's strategy (environmental stakeholder alignment) and structure (mechanisms that impact a firm) can lead to heightened economic performance. NRBV (Hart, 1995) involves how sustainable competitive advantage can be realized when bearing in mind the challenges and constraints of a firm's natural environment. Finally, dynamic capabilities (Easterby-Smith & Prieto, 2008) entail a firm's embedded processes (i.e., manipulation of organizational resources including acquiring, shedding, integrating), that when recombined, facilitate new sources of competitive advantage.

Institutional Theory

In the evolution of organizational understanding, the 1960s saw a shift toward viewing organizations as *open systems* interacting with their external and internal environments (Katz & Kahn, 1966). This shift portrayed organizations as inextricably tied to their external environments, with ecological constraints limiting organizational manoeuvring (Hanson, 2001). Institutional theory emerged as an out-growth of these developments. Previously, organizational literature adopted a relatively narrow focus, concentrating on the technical facets and resource flows deemed necessary to support production processes (Scott, 1991).

Institutional theory of organizations involves the emergence of unique forms, processes, strategies, outlooks, and competencies which materialize from patterns or organizational interaction and adaption. Such patterns can be understood as responses to *internal* and *external* environments (Selznick, 1996). Within this thesis, internal environments constitute socially responsible corporate behavioral determinants that operate within a firm such as a firm's culture, structure, knowledge management, and leadership (Campbell, 2007). External (socio-political) is represented by a firm's embeddedness in a comprehensive set of societal, political, and economic institutions which affect firm behavior (i.e., Campbell, Hollingsworth, & Lindberg, 1991; Fligstein, 1990). These socio-political institutions include commercial forces operating externally at the macro- and inter-organizational level at which organizations maneuver (Di Maggio & Powell, 1983; Fligstein, 1990).

New forms of entrepreneurship research has underscored institutional theory, within which institutions are characterized as macro-level variables (Bruton et al., 2010). Moreover, Wicks (2001) proposed that institutional theory is suitable for understanding individual behavior at the micro-level. Accordingly, institutional theory provides a macro and micro-context perspective of understanding strategy as practice (Whittington, 2001). This interplay between contexts provides opportunities for adaptive and strategy practice (Whittington, 2001), as might be the case when firms are exposed to dealing with dynamic and high-velocity markets (Eisenhardt & Martin, 2000). In such markets, adaptive practice is assumed to be value creating, whereas in low-velocity markets, repetitive and resource-deepening capabilities could fulfil a similar role (Eisenhardt & Martin, 2000).

Institutions ensure that corporations are responsive to the interests of social actors and key stakeholders (Campbell et al., 1991). That is to say, researchers identify that the ways in which organizations behave toward their stakeholders depend on the environment within which they operate (Fligstein, 1990; Fligstein & Feeland, 1995). Stakeholders have a stake or vested interest in a corporation and involve individuals or groups such as employees, consumers, and suppliers, with whom a corporation interacts, and local communities within which corporations operate (Wicks, 2001).

The emergence of social enterprise in response to environmental considerations is consistent with the process of *value infusion* (Huntington, 1968; Selznick, 1957). This process takes the organization as a whole, as the unit of analysis, equating institutionalization as value infusion. According to this process, institutionalization occurs when an organization becomes *infused with value beyond the technical requirement of the task at hand* (Selznick, 1957, p. 17). Selznick viewed organization structure as an adaptive vehicle shaped in reaction to the characteristics and commitments of participants as well as influences and constraints that emerge from the external environment (Scott, 1987). In other words, Selznick (1957) advocated that the method of institutionalization is a process that occurs as leaders respond to the internal and external forces that are placed upon organizations (Washington, Boal, & Davis, 2008).

According to Dart (2004), social enterprise differs from the traditional understanding of the non-profit organization in terms of strategy, structure, norms, and values, representing a far-reaching form of innovation in the non-profit sector. In support of this assertion, Oliver (1991) suggested that the application of institutional theory to research in social enterprises has led to further developments of this theoretical perspective. Within this context, social enterprise can be viewed as divergent forms that focus on broad frame-breaking and innovation to those forms that focus on market-based solutions and business-like models that hold pro-market ideological notions consistent with the wider social environment.

As a sociological theory of organizations, institutional theory is premised on the notion of organizations as systems open to their social and cultural environments (Scott, 1992), coupled with the norms, myths, and symbols found therein (Rowan & Meyer, 1977). Since organizations can reflect and embody notable social ideas, as much as their commercial undertakings, making way for social enterprise (Dart, 2004). This thesis proposes that socio-political environments facilitate the formation of stakeholders (Campbell, 2007), which in turn foster the development of social business enterprises (Dart, 2004), that are ultimately responsible to their stakeholders (Campbell, 2007).

In the development of social enterprise, Hitt, Li, and Worthington (2005) argued that institutional contexts affect the extent to which firms can engage in different learning

behaviors. This argument is consistent with Scott (1995) who suggested that institutional forces affect firm processes and strategic decision making. Micro-contexts provide opportunities for adaptive practice and new knowledge-based practices in relation to specific situations can arise from societal processes such as dialogue and interaction (Cook & Brown, 1999; Wenger, 1998).

In recent years, studies have examined the adaptive capacity of firms in relation to dynamic markets (Jarzabkowski, 2004). Adaptation concerns the varying degrees of change from incremental adjustments to radical reorientation (Jarzabkowski, 2004). When dealing with fragmented external environments, Meyer (1992) argued that organizations might be disposed to developing internal subsystems and procedures, designed to enhance internal stability to counterpoint external environmental complications (Hanson, 2001). Furthermore, attention has been afforded to prescribing adaptation as an essential component in the transfer of firm specific assets (Bartlett & Ghoshal, 1989). For example, Jensen and Szulanski (2004) contended that consumer product advertising campaigns can function effectively when modified or adapted to reflect local market dynamics.

Overall, literature highlights that adaption of firm specific assets is essential for sustainability (Bartlett & Ghoshal, 1989). Market conditions can vary significantly according to location, creating pressure for adaptation as firms attempt to maximize their *fit* (Figure 3.1) with their local environment (Bartlett & Ghoshal, 1989; Rumelt, 1974). These pressures constitute rudimentary differences such as culture (Rumelt, 1974), consumer preferences and needs (Miles & Snow, 1984), and labor practices (Von Krogh, 1998). Briefly, Figure 3.1 exhibits an inter-connected loop where an organization's external commercial environment (macro level) is linked to the formation of BoP MDG stakeholders (organizations, economically disadvantaged communities, and NGOs), leading to the creation of a Social Business Enterprise, that culminates in a necessary *fit* between stakeholder knowledge information and the external environment.

According to Jensen and Szulanski (2004), scholars managing the issue of adaptation, which includes market and institutional perspectives, argue that a degree of adaptation is necessary to achieve *fit* with a local environment.

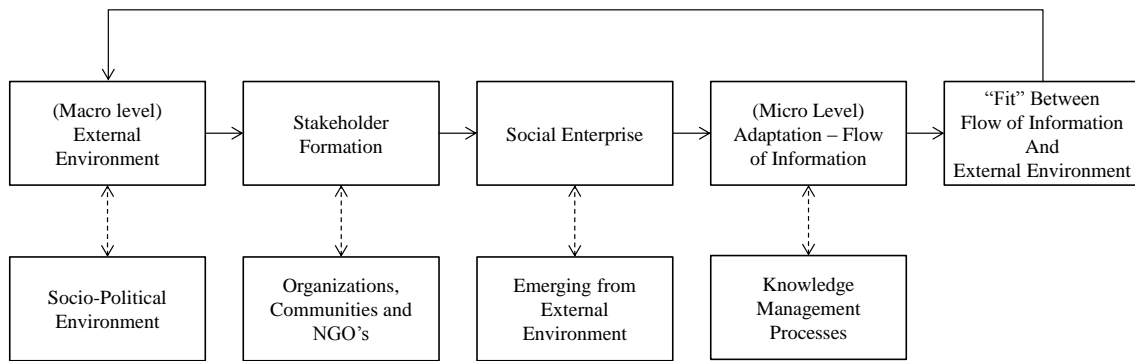


Figure 3.1 - Relationships between Institutional Theory Elements

Accordingly, it can be argued that *fit* is an integral component of the emergence of social enterprises which arise from their socio-political environments (Drazin & Van de Ven, 1985; Van de Ven et al., 2013). For this reason, as discussed below, contingency theory is another essential component of the theoretical conceptual development underpinning this thesis.

Contingency Theory

Globally, the organizational environment is changing, promulgating a need for academic theories and research to adjust. The uncertainty of commercialization requires pioneering design to compliment unpredictability (Van de Ven et al., 2013). The socio-political environment of a firm plays a critical role when responding to the increasing and fluctuating expectations of the business environment. In recent times, organizations have been increasingly obligated to confront high social performance (Husted, 2000), when dealing with stakeholders, many of whom change from issue-to-issue (Nasi, Nasi, Phillips, & Zyglidopoulos, 1997). Such social issues can vary (Mahon & Waddock, 1992), coercing academics and managers to discover novel social development approaches. According to Husted (2000), recent theoretical models have provided little direction for either academics or managers. These models suggest a number of responses that firms can use but fail to adapt to the nuances of the social issues faced.

In the light of the relevance of internal and external environments, contingency theory provides an explanation of the relationship between the *fit* elements of a social enterprise (Dart, 2004) and corporate social performance (Husted, 2000). According to Drazin and Van de Ven (1985), organizations that can establish a sound fit amongst the contingencies that make up a firm are likely to perform. Furthermore, organizations that

can adapt over time to fit their changing environment can ensure that the maintenance of effectiveness is maintained. Miller (1992) suggested that contingency theory provides an explanation of firm performance derived from an external fit amongst the pressures of an organization's environment and the design of its internal structure, coupled with an internal fit among key design components of strategy, structure, and systems. More broadly, *organizational environment moderates the relationship between organization design and performance* (Van de Ven et al., 2013, p. 396). In this thesis, the match or *fit* between *strategy* (the alignment of a firm and its stakeholder environment) and *structure* (the flow of organizational knowledge) is regarded as a necessary element for successful performance.

A number of scholars (Van de Ven et al., 2013) regard contingency theory as being a relevant framework for business management. Notwithstanding, contingency theory has been criticized for lacking theoretical clarity and inability to articulate clearly the interaction between variables (Schoonhoven, 1981). Nevertheless, this framework is viewed as having a sound logical base, underpinning organizational and strategic management theories and practices. Blyler and Coff (2003) stated: *the approach offers a starting point for insights about the organizational forms that a firm with a dynamic capability might take* (p. 678). Contingency theory has provided a foundation for contemporary theories on institutional conception and change (Reay & Hinings, 2009; Thornton, Ocasio, & Lounsbury, 2012).

Contingency theory highlights the key role played by a number of organizational characteristics (Donaldson, 2001), including leadership (Fielder, 1967), human resource management (Delery & Doty, 1996), and strategic decision-making processes (Fredrickson, 1984), as well as three important contingency concepts of environment, organizational size, and strategy (Donaldson, 2001). Of note is the value conferred to as business performance (Husted, 2000), arguing that strategy and structure are essential drivers of social performance, a view taken in the present thesis.

Corporate social performance has been regarded in a variety of ways (Husted, 2000). This thesis, in line with contingency theory, adopts a strategy-structure-performance relationship as advanced in the strategic management literature (Miles & Snow, 1978; Rumelt, 1974). According to this approach, the choice of competitive strategy is

dependent upon market opportunities. Structure supports strategy to attain organizational objectives. Strategy and structure that fits market opportunities can lead to enhanced economic performance. Correspondingly, the contingency model of corporate social performance argues that strategies and structures aligned with social issues can lead to higher levels social performance. Husted (2000), however, affirmed that firms can be confronted with a range of different social issues concurrently, with each issue requiring a suitable strategy and structure mix. For this reason, corporations invariably adopt an overarching social strategy and structure, as might be the case when formulating a corporate strategy.

Accordingly, the present thesis holds the Miles and Snow (1984) position that strategy is *the basic alignment mechanism* between an organization and its environment (p. 11). Strategy can be regarded as a roadmap that a firm aligns with its institutional environment, specifically with the expectations of stakeholders (Campbell, 2007). Structure, as an element of contingency, is defined in accordance with Lorange, Scott Morton, and Ghoshal (1986) as *the overall mechanism in the organization that impacts the flow of information, the process of decision making, and the delineation of responsibility* (pp.139-140). Corporate social structures therefore can comprise of organizational arrangements that regulate information flows, responsibility, and decision-making processes in regards to social issue development (Husted, 2000), such as the MDGs. Thus, the strategy and structure approach can facilitate the necessary fit between the firm and its environment for social development. Within is this context, corporate social performance might concern progression of the poverty MDG.

According to strategy literature, a key undertaking of firms is to amass and safeguard valued commercial knowledge (Teece, Pisano, & Shuen, 1997; Wernerfelt, 1984). Market knowledge can define a firm's capacity to transform its inputs into valuable outputs, empowering a firm with a capability to perform efficiently through updating knowledge (Arrow & Hahn, 1971; Nelson & Winter, 1982). When knowledge advancement is realized, however, firms are confronted with deciding how to generate further commercial information, culminating in the development of organizational capability, or how to exploit existing knowledge (Nickerson & Zenger, 2004). In other words, should a firm progress knowledge development by either absorbing existing knowledge external to the firm, or by developing new knowledge by firstly identifying

social issues, and then discovering new solutions to that social issue? This thesis adopts the view of Nickerson and Zenger (2004) *that the manager's knowledge-based objective is to create valuable new knowledge* (p. 618).

Consistent with contingency theory and the notion of *fit*, this thesis recognizes knowledge management as a key process related to strategy and structure (Figure 3.2). In keeping with Von Krogh's (1998) characterization, knowledge management is defined as identifying, developing, and leveraging knowledge within a firm, in order to successfully compete. Knowledge management involves learning by *acquisition of new knowledge by actors who are able and willing to apply that knowledge in making decisions or influencing others in the organization* (Miller, 1996, p. 486). Of noteworthy importance, knowledge management is considered a vital component in the usefulness and proficiency of resource management in dynamic market conditions such as developing countries. Knowledge management can enhance firm competence for *strategic flexibility and the degrees of freedom to adopt and evolve* (Zahra & George, 2002, p. 185). In dynamic markets, learning assists organizations to adapt and maintain acceptable levels of fit with their environment, in pursuit of commercial objectives (Luo & Peng, 1999).

As indicated previously, corporate social performance has been defined and operationalized in various ways (Reed, Getz, Collins, Oberman, & Toy, 1990). According to Preston (1990), there are two elementary approaches to evaluating corporate social performance: a focus on process (Wood, 1991) and on results (Preston, 1990). The process approach espoused by Wood (1991) includes a reference to results, corporate social responsibility, and corporate social responsiveness as important elements comprising a definition of corporate social performance. Wood's approach, however, is not explicit with respect to the context and nature of relationships between the principles, processes, and outcomes. For example, Mitnik (1993) suggested that Wood's (1991) model can be regarded as a classificatory device, rather than as theory, on the basis that there is no theoretical logic relating the various elements of the model to one another.

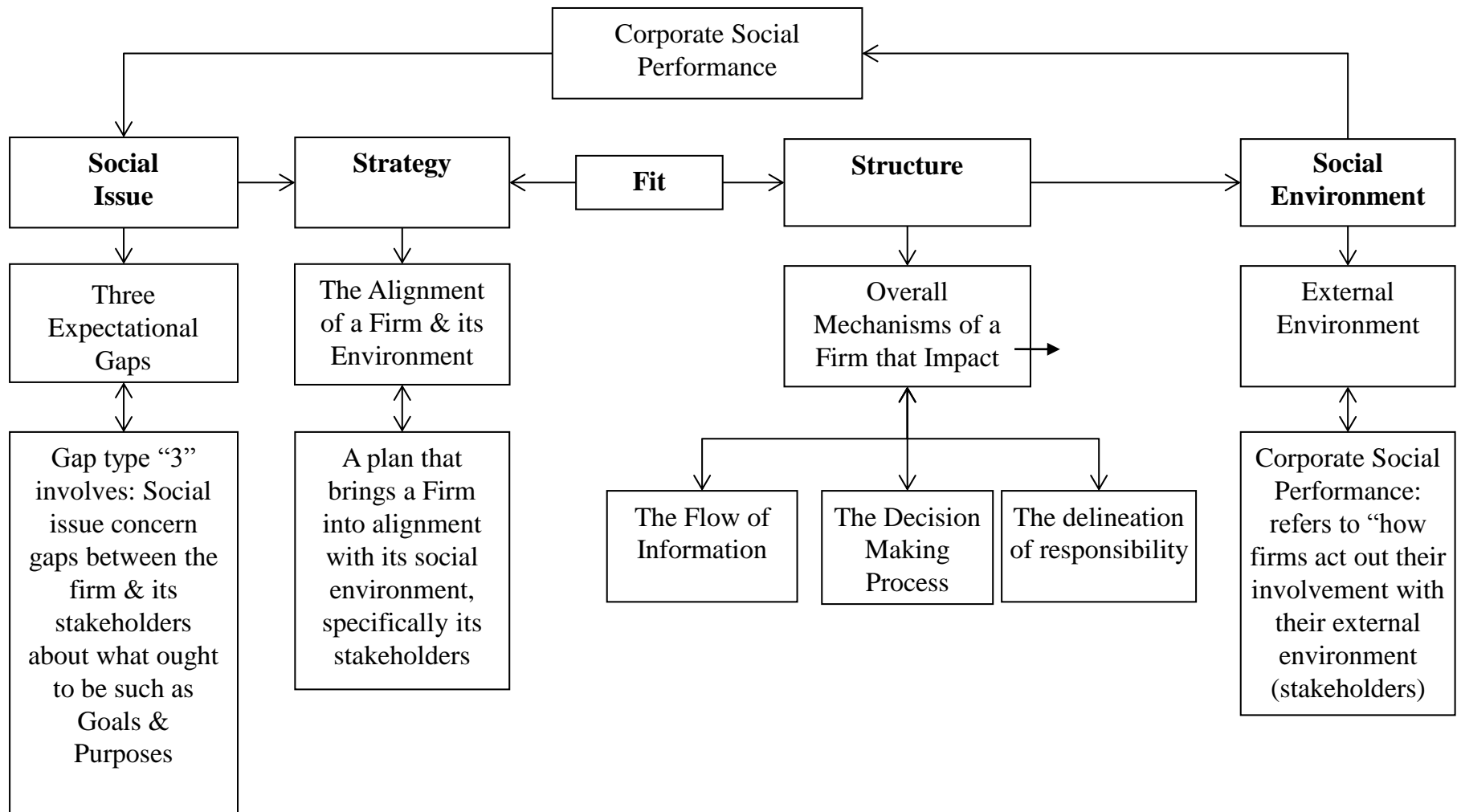


Figure 3.2 - Contingency theory fit – Bargaining Strategy Approach between Strategy and Structure

In other words, the conceptualization does not articulate procedures for generating explanations and predictions. The latter approach to corporate social performance focuses on results (Preston, 1990). Clarkson (1995) asserted that: *performance is what counts. Performance can be measured and evaluated* (p. 105). This approach has been the focus of research that has evaluated relationships between corporate social and financial performance (Griffin & Mahon, 1997). This thesis adopts a result orientation to corporate social performance, the perspective of which is consistent with the Lachman and Wolfe (1997), and Zammuto (1984) approaches. These authors suggest that a results orientation approach places corporate social performance literature within the context of a larger literature on organizational effectiveness.

According to Husted (2000), *the social environment continues to play a critical role in the survival of the business firm given the increasing and ever-changing expectations of its stakeholders* (p. 24). Firms can confront a widespread assortment of stakeholders and social issues (Nasi et al., 1997). Social issues also vary noticeably over time (Mahon & Waddock, 1992). For these reasons, business scholars and firms need to discover efficient and effective ways to respond to those dynamic social issues to enhance corporate social performance (Husted, 2000). A firm can address such matters in a number of ways, such as by classifying social issues into different types of *expectational gaps*. This procedure can lend itself to the formulation of specific strategies derived from organizational theory literature (Ouchi, 1980; Thibaut & Walker, 1978).

According to Wartick and Mahon (1994), social issues can be categorized into three types of expectational gaps: gaps concerning what is (Type 1), gaps dealing with what ought to be (Type 2), and gaps between what is and what ought to be (Type 3). Type one focuses upon disagreements about the nature of the facts in a given situation (what is). That is, when a firm and its stakeholders do not arrive at an agreement as to what happened or which alternative is the jointly preferred solution to a particular social problem. Type three focuses upon the gap between what is and what ought to be. Finally, type two, which this thesis adopts, is concerned with gaps between the firm and its stakeholders about what ought to be. According to Thibaut and Walker (1978), these issues involve conflicts of interests amongst relevant stakeholders. In illustration, there might be differences between the objectives, goals, and purposes of a firm, and those

objectives held by its stakeholders. Corporate social performance, in the context of stakeholder expectations, can be considered a function of the fit amongst the strategies and structures that align the firm's and stakeholders expectations to social issue development (Husted, 2000). Husted championed that a lack of fit can be identified by the deviations of decision-making strategies and structures. Fit denotes *a match between two or more factors* and is conceptualized as having an impact on organizational outcomes (Drazin & Van de Ven, 1985, p. 333).

Literature suggests that there are three approaches to fit: the selection approach, the interaction approach, and the systems approach (Drazin & Van de Ven, 1985). The selection approach involves models that fit as an outcome of an ecological or environmental selection process premised on profit expansion or organizational survival (Wholey & Brittain, 1986). The interaction approach regards fit as *an interaction effect of inter-organizational context and structure on performance* (Drazin & Van de Ven, 1985, p. 339). Finally, the systems approach addresses social issue strategies with their accompanying structures which act as patterns of a series of underlying dimensions. As previously noted, structural dimensions contain: the diffusion of information, responsibility for decisions, and the decision-making process (Husted, 2000). This form of knowledge management process is adopted within this thesis.

On the basis of social issues categories, Husted (2000) championed four strategy types within a corresponding structure: computation, discovery, inspiration, and bargaining. The computation strategy entails a routine method to devising plans and procedures, providing programmed solutions for given environmental stimuli. The discovery strategy involves a search for new information about alternative solutions to reach agreed-upon goals. The inspiration strategy questions prevailing values and concepts of causality to develop a new vision of firm-stakeholder relationships. Finally, the bargaining strategy necessitates that a firm and its stakeholders resolve conflicts collaboratively through a series of negotiations, aimed at realigning and realizing what their expectations about what ought to be. This thesis argues that depending on the nature of the social issues faced by a firm, there are specific strategies and structures that can maximize corporate social performance. Therefore, with the bargaining strategy typifying a process of co-creation, this approach is also adopted in the development of the proposed conceptual model.

Pursuing contingency theory's focus on the *fit* between contingencies and internal configurations can lead to an enhanced understanding of how resource management can optimize value creation (Sirmon, Hitt, & Ireland, 2007). Aragon-Correa and Sharma (2003) contend that a firm's competitive environment can influence resource value when developing proactive, environment strategies. Aragon-Correa and Sharma integrate perspectives from literature on contingency, the natural resource-based view (NRBV) (Hart, 1995), and dynamic capabilities (Grant, 1996; Teece & Pisano, 1994) of the firm, to propose how dimensions of a firm's competitive environment exercise authority in the development of a dynamic, proactive corporate strategies for managing the business-natural environment interface. Accordingly, contingency theory is used to build upon institutional theory as formerly discussed.

In conclusion, this overview and discussion of contemporary theory highlights the importance of resource management interpretations (Sirmon et al., 2007). Therefore, given the central role played by environmental resources, the following section draws upon Hart's (1995) natural resource base view (NRBV), providing a theoretical framework of environmental strategy, competitive advantage, and natural environment challenges (Hart & Dowell, 2011).

Natural Resource Based View (NRBV)

According to Hart (1995), models of sustainable competitive advantage should take into account the challenges and constraints that a firm's natural environment possess. Hart (1995) championed how resources and capabilities, entrenched within an organization's interaction with its natural environment can accelerate competitive advantage. Environment involves political, economic, social, and technological constraints. Barney (1991) and Wernerfelt (1984) contended that resource-base theory research had previously attempted to integrate internal (organizational capabilities) and external (changing environment) perspectives pertaining to a firm. Fayh (2000) supported this assessment arguing that the resource-base theory placed a strong emphasis on economics rather than social or political exchanges.

Resource-base theory accentuates the role of resources and capabilities which can act as the basis for competitive advantage. Karim and Mitchell (2000), and Winter (2000) provided a distinction between both elements. A *resource* necessitates something that a

firm possesses, including physical and financial assets as well as employees' skills and organizational (social) processes. In contrast, a *capability* represents what a firm is able to perform, which stems from resources and routines upon which the firm can draw. Of noteworthy importance in the interpretation of resource-base theory is Hart's (1995) assertion that: *Resources are the basic units of analysis and include physical and financial assets as well as employees' skills and organizational processes. A firm's capabilities result from bundles of resources being brought to bear on particular tasks* (p. 988).

Barney (1991) espoused that resources and capabilities that contribute to a sustainable competitive advantage, comprise of four specific properties that are valuable, inimitable, rare, and supported by tacit skills or socially complex organizational processes. Value is realized when a resource can increase customers' readiness to pay or lead to lower cost. Inimitability arises when social complexity surfaces from a resource, leading to the potentiality for sustained advantage. Rareness enables a firm the potential to charge a premium and circumvent competitive markets, forcing firms to raise barriers to imitation (Rumelt, 1984). Finally, embedded organizational resources and capabilities that can achieve value might be dependent upon the presence of complementary assets and supporting routines (Christmann, 2000).

Hart (1995) advocated that historically, management theory had adopted a confined and insular concept of environment. A key element of resource-base theory is its focus on factors internal to the firm that lead to sustained competitive advantage (Hart & Dowell, 2011). Given its earlier narrow focus, Hart (1995) raised the relevance and input of the specter of the natural environment on firms, arguing that this perspective be an integral component of resource-base theory. Hart's (1995) proposal culminated in the promulgation of the natural resource based view (NRBV) of the firm. The NRBV compliments contingency theory, reflecting the interaction between a firm's internal processes with its environment, acting as a *fit* for garnering organizational performance. Hart (1995, p. 986) appears to believe that the exclusion of the interaction between a firm and its natural environment acts as a significant oversight of resource-base theory stating that: *The theory (like its more limited internal and external predecessors) still contains one serious omission: It systematically ignores the constraints imposed by the*

biophysical (natural) environment (e.g., Brown, Kane, & Roodman, 1994; Meadows, Meadows, & Randers, 1992) .

The NRBV argues that there are three key strategic capabilities: *pollution prevention*, *product stewardship*, and *sustainable development*. Each of these capabilities involves diverse environmental driving forces, builds upon distinctive key resources, and has a different source of competitive advantage. Pollution prevention is associated with lower costs, and seeks to avert waste and emissions instead of *cleaning them up at the end of the pipe* (Hart & Dowell, 2011, p. 1466). Product stewardship seeks to include the entire value chain of a firm's product systems, enabling stakeholder engagement, or the *voice of the environment*, to participate in product design and development processes.

Finally, sustainable development seeks to address two notable differences from pollution prevention or product stewardship strategies. First, *to not merely seek to do less environmental damage but, rather, to actually produce in a way that can be maintained indefinitely into the future*. Second, *sustainable development, by its very definition, is not restricted to environmental concerns but also involves focusing on economic and social concerns* (Hart & Dowell, 2011, p. 1466). Of significant importance, according to these authors, a sustainable development strategy also implies that: *Since economic activity in developed countries is intimately connected with issues of poverty and degradation in less-developed countries, a strategy that considers sustainable development must recognize this link and act to reduce the environmental burden and increase the economic benefits for the lesser developed markets affected by the firm's activities* (Hart & Dowell, 2011, p. 1466).

Hart and Dowell (2011) argue that appropriate resources and dynamic capabilities are required to enter developing countries. For this reason, this thesis adopts two of the three key strategic capabilities advocated by Hart and Dowell (2011), product stewardship and sustainable development, important elements associated with social enterprises engaging with stakeholders in the design and implementation development of projects in developing nations. Sustainable development focuses upon social and economic concerns for a developing country, in line with thesis overarching framework of the MDGs.

Dynamic Capabilities

Teece et al. (1997) contended that development of the dynamic capabilities and NRBV perspectives arose in response to a need to consider how firms build new resources and capabilities in turbulent and dynamic environments. Teece et al. (1997) suggested that resource-base theory does not sufficiently address how organizations renew their resources, stating that companies need to *integrate, build, and reconfigure internal and external competences to address rapidly changing environments* (p. 516).

Dynamic capabilities are processes embedded within firms, involving the manipulation of organizational resources including acquiring, shedding, integrating, and recombining resources to produce contemporary value-creating strategies (Grant, 1996; Pisano, 1994). Thus, these key mechanisms are considered to facilitate creation, evolution, and recombination of other resources into new sources of competitive advantage (Henderson & Cockburn, 1994; Teece et al., 1997). Dynamic capabilities also provide a coherent framework for integrating existing conceptual and empirical information, and making possible prescription or instruction (Teece & Pisano, 1994). This thesis takes the position that competitive advantage originates from dynamic capabilities, deep-rooted in high performance routines that operate within organizations, and that are embedded in firm processes and conditioned by history. For example, product development routines by which managers combine their varied business skills to create revenue producing products and services (e.g., Clark & Fujimoto, 1991) can be considered a dynamic capability. Consistent with this view, this thesis defines dynamic capabilities in accord with Kogut and Zander (1992) who stipulated the construct *combinative capabilities* is used to describe organizational processes by which firms acquire and integrate knowledge resources that can generate new functions from those resources.

Seelos and Mair (2004) argued that neither social development organizations (e.g., United Nations) nor MNCs can arrive at innovative solutions to achieve sustainable development in developing countries. Seelos and Mair (2004) noted that dependency on their resource environment prevented a best practice approach to sustainable and social development. Simanis and Hart (2008b) argued that a developing country's local resources and capabilities can influence the success of BoP business models. A developing country's indigenous setting can compel bottom-up development, which is an integral component of the BoP perspective (London & Hart, 2004). Seelos et al.

(2005) reported that developing countries suffer from deficient local infrastructure and resources, preventing best practice solutions to social development outcomes. Echoing these sentiments, London and Hart (2004) recognized that the key contextual challenges facing BoP ventures in developing countries is the informal nature of their market environment.

Having said that, Seelos et al. (2005) argued that social entrepreneurs could discover rare solutions in local contexts, thereby playing an integral role in progressing social, human, and economic development, noting that:

While their (social entrepreneurs) solutions and models may not lend themselves to replication because they are context dependent, the process of finding solutions – i.e. the entrepreneurial process of discover – may be replicable in diverse settings and on a global scale (p. 2).

Aragon-Correa and Sharma (2003) argued that a proactive environmental strategy can meet the definition of a dynamic capability. According to these authors, certain general business environmental characteristics can moderate relationships between dynamic capability of a proactive environmental strategy and competitive advantage. Similarly, Winter (2003) purported that dynamic capabilities need to be assessed from within the context of the competitive environment a firm operates, contending that external forces can affect a firm's decision to pursue dynamic capabilities.

The dynamic capability perspective is well suited to the study of turbulent business environments (Aragon-Correa & Sharma, 2003; Dixon, Meyer, & Day, 2014). Challenges associated with developing countries such as the establishment of adequate formal institutions, inadequate infrastructure, and low literacy levels can compel firms to create novel capabilities if they are to develop business models successfully to serve economically disadvantaged communities (Hart, 2007). This perspective mirrors contingency theory (Husted, 2000), the perspective of which purports that the fit between internal arrangements of an organization and the external contexts influence firm performance, such as achievement of the MDGs. Similarly, Miller (1992) claimed that contingency theory attributes firm performance to an external fit between the demands of an organization's environment and the design of its internal structure.

Co-creating businesses in collaboration with economically disadvantaged communities is consistent with BoP approaches utilized in developing countries (Arora & Romijn, 2009; London & Hart, 2011; Prahalad, 2004). In facilitating a process of co-creation, calls for multiple competencies have been suggested when aimed at building local capacity in developing countries, in order to create value (e.g., poverty reduction, improve primary education, combat diseases) for economically disadvantaged communities (Baker & Nelson, 2005). Successful application of BoP initiatives is dependent upon poverty concepts. BoP management literature (Baker, 2007; Bandura, 1997; Sanchez et al., 2007) underscores the importance of market-based approaches to social, human, and economic development success (Seelos et al., 2005). For example, capabilities address issues concerning extensive participation, partnership, deep dialogue, openness to experimentation, and mutual learning (Simanis & Hart, 2008b).

London and Hart (2004) espoused the development of partnerships with non-traditional partners as crucial to creating BoP strategies for developing countries. As a case in point, sustainable livelihood approaches are government strategies directed at assisting primary industries to link with other sectors within an economy (Cai et al., 2006). Industry engagement is considered crucial for stimulating an economy as a whole (Meyer, 2006). Such strategies allow governments to determine whether policies designed to strengthen economic linkages have succeeded (Cai et al., 2006). Despite this rhetoric, linkages are difficult to develop (Torres & Momsen, 2004). Thus, scholarly research on knowledge management, emphasizing knowledge transfer, might assist the development of this nascent field.

Of noteworthy importance, Easterby-Smith and Prieto (2008) concluded that assessment of links between dynamic capabilities and knowledge management, in vigorous and discontinuous environments, has not been articulated sufficiently, despite the relative interest in knowledge processes and conceptual links (He & Wong, 2004; Sambamurthy & Subramani, 2005). Knowledge management is concerned with identifying, developing, and leveraging knowledge in organizations to help them to compete (Alavi & Leidner, 2001). Easterby-Smith and Prieto (2008) suggested that the creation, development, retention, and transfer of knowledge can be regarded as a *learning process*. In support of their view, Crossan, Lane, and White (1999) proposed that organizational learning processes can be regarded as a dynamic process of strategic

renewal. Such processes involve a tension between creating new knowledge (exploration) and using present knowledge (exploitation). Both knowledge types can be sourced either externally (Zahra & George, 2002) or internally from an organization, by way of several mechanisms of intra-organizational knowledge sharing (Tsai, 2002).

This thesis holds that capabilities not only can be created but are essential for the development and functional performance of social enterprises (Crabtree, 2007; Tashman & Marano, 2010). To this end, in developing a conceptual link between business and economic development, aimed at alleviating social issues (Tashman & Marano, 2010), this thesis incorporates dynamic capabilities in the establishment of a BoP poverty MDG model of a Social Business Enterprise (SBE). As such, dynamic capabilities are examined to address the weaknesses in accessing critical country native resources by institutional and market environments of economically disadvantaged communities.

Emerging literature (Seelos et al., 2005) suggests that when designing BoP projects, a developing country's local constraints must be taken into consideration (Prahalad, 2004). Extending this perspective, London and Hart (2004) championed the principle of BoP ventures that build from existing local infrastructure and resources. With this principle in mind, this thesis adopts London and Hart's proposition, coupled with Prahalad's (2004) recommendation that co-creation mechanisms be identified to enable the achievement of poverty objectives. This position heralds the notion of new dynamic capabilities that emphasize understanding, leveraging, and building upon the local social infrastructure present in informal sectors (London & Hart, 2004), such as a developing country as PNG.

In recent times, scholars have highlighted that the application of BoP principles within the context of developing countries requires the adoption of innovative capabilities that go beyond a pre-occupation with Western style business approaches (Hart & Dowell, 2011; Peng, 2001). Such capabilities can involve, for example, facilitating linkages between economically disadvantaged communities and potential distribution or supply chain partners (Porter & Kramer, 2006), forming strategic alliances with NGOs and community groups, and networking within developing nations (Brugmann & Prahalad, 2007; Yaziji, 2004). Such processes can create opportunities for a potential value chain

partners who have insufficient capacity to co-create value with a firm (Segel et al., 2007).

In support of this claim, Dahan et al. (2009) proposed that multinational companies (MNCs) should consider collaborating with non-profit nongovernmental organizations (NGOs) to help facilitate new modes of value creation. In support of this view, Arora and Romijn (2012) stated that:

A host of parties such as local governmental agencies, NGOs, other types of civil-society organizations must also be involved as co-creation partners because they bring essential unique knowledge, skills, assets and experience to the table (p. 486).

In such cross-sector partnerships, stakeholders can contribute complementary capabilities along each stage of the value chain, to which neither party could produce alone. In these joint efforts, NGOs and firms can contribute corresponding capabilities - both intangible assets such as knowledge, reputation, and brand, and tangible resources involving human capital, production capabilities, and market access. BoP literature has what's more revealed how the proficiency to co-create with stakeholder participants acts as an essential component to fruitful social development outcomes (London & Hart, 2011). Arora and Romijn (2009) indicated that previous BoP models under-appreciated the complexities of partnerships and participation processes. In other words, the intricacies of participatory partnerships between MNCs, NGOs, and economically disadvantaged communities. Arora and Romijn (2009) contended:

...that the extant BoP literature has a naïve view of working with the poor, which grossly underestimates the adverse power relationships and disregards the hierarchies between the poor and outsiders who administer development interventions (p. 5).

Expanding upon this perspective, Arora and Romijn (2012) declared how neo BoP scholars attribute co-creation development to bottom-up BoP approaches, that underpin the significance of co-creation towards the development of a BoP poverty conceptual model: *thus, (some) BoP practitioners are turning to bottom-up approaches of co-*

creation of innovative solutions to address poverty through interactive learning in close dialogue and partnership with the poor and other stakeholders (p. 485).

Of noteworthy importance, however, Sanchez et al. (2007) observed that a firm, adopting co-creation, might need to offer a diverse set of components (e.g., technical assistance, training activities, education programs) when working with low-income segments to create value. These authors also suggested that companies should build networks in order to allow economically disadvantaged communities to interact with diverse specialized players in the market chain. By doing so, firms can leverage on the distinct competencies that underlie such network.

Of late, scholars (Baker et al., 2003) identify the importance of applying combinations of resources, at hand, to new problems and opportunities. Resource mobilization plays a fundamental role in the process of entrepreneurship (Baumol, 2010; Hsu, 2008; Shane, 2003). While entrepreneurs might finance a venture from their private savings (Aldrich, 1999), the capital, material, or expertise required to exploit entrepreneurial opportunities can be scarce (Shane, 2003). Moreover, as existing resources deplete, entrepreneurs can be compelled to disband or search for alternative sources of capital (Dushnitsky & Lenox, 2005; Sapienza & Gupta, 1994). Social ventures that operate in developing economies also face environmental challenges where quality resources can be extremely scarce (Zahra et al., 2008), or where institutional financing mechanisms are absent or weak (Kistruck et al., 2011). Subsequently, a prerequisite for BoP projects is to address resource constraints (Di Domenico et al., 2010) by building from existing local resources, capabilities

Possession of local knowledge in BoP ventures is considered key to mutual value success (London, 2007; Simanis & Hart, 2008b). Schafer et al. (2011) suggested that an in-depth examination of how economically disadvantaged communities live and confront their local problems must be understood prior to business engagement. A combination of modern technical know-how and local knowledge is needed to tailor new solutions to local lifestyles and culture. Arora and Romijn (2012) extended this view to when addressing local needs, suggesting that it would be erroneous to view the participatory knowledge dynamics as solely a top-down approach. It is for these reasons

that this emerging area of knowledge management can be considered under-developed, requiring further empirical research (Follman, 2012).

Prahalad's more recent work (2010) supports the notion of collaborative knowledge capabilities. Prahalad asserted that the *growing recognition that merging the local knowledge of the nongovernmental organization with global reach of the multinational firm can create unique and sustainable solutions* (p. 5). Earlier, Rashid and Rahman (2009) reflected that business approaches can yield advantages that utilize local knowledge and genuine social economic well-being for target markets in developing countries. Ray and Kanta Ray (2011) also advocated the importance of sourcing local knowledge and experience. These authors indicated that emerging markets acquire unique characteristics which can present insurmountable obstacles to foreign MNCs to undertake commerce. Notwithstanding, Gardetti (2005) noted that most corporations have difficulties perceiving economically disadvantaged communities as sources of knowledge, resulting in failures to build trust with local communities. Consequently, instead of helping to raise the standards of living, business activity can culminate in damaging social capital in such communities. For this reason, Ansari et al. (2012) highlighted the importance of the role of developing bonds and trust, bridging social capital, and encouraging knowledge transfer between MNCs and economically disadvantaged communities.

Earlier, Hart and Sharma (2004) reported that MNCs needed to identify and to integrate the views of fringe (non-traditional) stakeholders. Acquisition of non-traditional knowledge has the potential to generate imaginative competitive thinking and, ultimately, lead to the development of radically innovative business models and solutions. As well, Sanchez et al. (2007) advocated that by partnering with local institutions, and engaging reputable people and organizations, MNCs had the potential to gain an in-depth knowledge of the markets, while developing legitimacy and trust.

To enable realization of the BoP proposition of mutual value creation, co-creative partnerships need to be fostered (London et al., 2010). Within the context of social development attainment, a number of authors (Webb et al., 2010) postulated that creating and building trust with economically disadvantaged communities is as important as garnering assistance in relation to financial, technical, and other crucial

resources. Moreover, Simanis and Hart (2008b) advocated that community-based organizations play a critical role in the development of trust amongst business and economically disadvantaged communities. Utilization of local knowledge is championed as an essential ingredient in the development of BoP ventures. Consistent with this perspective, Rushton (2002) stated that MNCs needed to become better adept and smarter at demonstrating an ability to work with economically disadvantaged communities, highlighting that: *if one of the consequences of globalization is a growing distrust of large corporations, how do companies go about building their reputation and earning trust? How do they enhance their social capital?* (p. 138). In line with Rushton (2002), Webb et al. (2010) stated that economically disadvantaged communities often held a level of distrust for foreign corporations, dating back to colonialism, claiming that:

MNCs cannot easily tap into the local society's informal networks. Local societies often hold a level of distrust for foreign corporations dating back to colonialism. Without an initial level of trust, the local society is less likely to embrace the presence of and develop relationships with MNCs. Therefore, multinationals alone cannot access factors and resources needed to exploit opportunities from local informal networks (p. 563).

Trust in developing markets can be considered a mandatory element of BoP ventures. Without trust, foreign organizations are not able to develop the required knowledge which is necessary to overcome the constraining conditions of developing markets (Schuster & Holtbrügge, 2012). As a consequence, it is incumbent on organizations to create and build trust with economically disadvantaged communities in order to gain access to prerequisite knowledge necessary for the establishment of successful BoP ventures (Schuster & Holtbrügge, 2012). Echoing these sentiments, Badry (2009) asserted that *the establishment of trust, especially in cross-sector partnerships, turns out to be essential in order to succeed in the approach to serve low-income consumer markets* (p. XV). NGOs can play an integral role in nurturing and developing trust, as they can appeal to the needs of both sides (economically disadvantaged communities & MNCs), as well as serving as an *honest broker*, providing legitimacy and trust to both (Webb et al., 2010). NGOs can create a capability to engender trust in economically disadvantaged communities (Johnson & Prakash, 2007) with MNCs (Webb et al.,

2010). This thesis contends that dynamic capabilities are necessary for the creation of social enterprises (Dart, 2004) designed to achieve the poverty MDG (Crabtree, 2007), by way of BoP ventures (London, 2007; Simanis & Hart, 2008b). As previously noted, dynamic capabilities comprise of generating, and/or recombining, organizational resources (Pisano, 1994), that are embedded within firms (Grant, 1996), which can facilitate competitive advantage (Teece et al., 1997), in vigorous and turbulent environments such as developing countries (Tashman & Marano, 2010). Proactive environmental strategies are important for the development of firm capabilities (Aragon-Correa & Sharma, 2003) that address local constraints by building from local infrastructure and resources (London & Hart, 2004). Such capabilities can entail strategic alliances (cross-sector business partnerships working with NGOs), knowledge management (managing knowledge transfer between cross-sector business partnerships and economically disadvantaged communities), and the fostering of trust of economically disadvantaged communities.

It was found that in the context of social enterprises a solitary focus on Institutional theory would result in an overly introspective study of the firm and exclude the external environmental contingency of poverty mitigation. A solitary emphasis on Intuition Theory would be reductionist and narrow in excluding the external social-political environment. Thus, owing to the complexity of BoP approaches, it is essential to underpin the present thesis with the following four theories: Institutional theory, Contingency theory, NRBV, and Dynamic capabilities, each of which provide unique contributions but also have inherent limitations. Institutional theory (whereby HFP, acting as a social enterprise, emerges from the adaptation of PNG's external socio-political environment), Contingency theory (B4MD achieves a "fit" with all HFP stakeholders in achieving corporate social performance), Natural Resource Base View (B4MD establishes a consortia of MNCs which are required to utilize existing infrastructure and natural resources in PNG, such as rich farming land and road access); and Dynamic capabilities (Co-creating businesses in collaboration with economically disadvantaged communities requires multiple dynamic competencies in developing countries in order to create value) is considered contribute to BoP literature, and assist in the development of a BoP poverty MDG conceptual model of a Social Business Enterprise.

These four theories are interrelated theories because they build upon each other and extend each other's perspective, view different aspects of the firm through different lenses, focus on different but interrelated context in which firms operate, and help us to understand the importance of extant factors such as resources and infrastructure, knowledge, capabilities, and socio-political environments, *inter alia*.

Conclusion

The four interrelated theories of institutional and contingency theory, NRBV, and the dynamic capabilities, lie beneath and add force to this theses approach to developing a BoP poverty MDG conceptual model of a Social Business Enterprise. Research has revealed the foremost necessity of the institutional alignment between a firm and its external environment, leading to the contingency requirement of achieving *fit* between the organization's strategy and its structure (impact on decision making processes). Generating from literature was also how resources and capabilities, which are ingrained within a firm's dealings with its natural environment (NRBV), hastens competitive advantage. Finally, this Chapter brought to light how a firm's manipulation of organizational resources (dynamic capabilities) also facilitates competitive advantage in turbulent market environments, such as developing countries. The following chapter of Chapter 4 introduces the methodology, where two main sections are discussed; research design and method. Highlighted are the applications of constructivist ontology, interpretivist epistemology, and formative evaluation, pertaining to research design, and an examination of the method elements such as participants, research protocols, and interview procedures.

Table 3.1 - Summary of four theoretical frameworks that contribute to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise

Theory	Definition	Principle Aim	Key Variable/Fact(s)	Application
Institutional Theory	<p>Is a dominant perspective in macro organization theory (Greenwood, Oliver, Suddaby, & Sahlin-Andersson, 2008).</p> <p>Is concerned with how various groups and organizations secure their positions and legitimacy by conforming to the rules and norms of the institutional environment (Rowan & Meyer, 1991; Scott, 2008)</p>	Is to understand how organizational structures and processes acquire meaning and continuity beyond their technical goals (Suddaby, 2010).	Organizational resources, culture, legal environment, traditions, history, and economic incentives are identified as impacting on industry and, in turn, entrepreneurial success (Baumol et al., 2009).	Theoretical lens for entrepreneurship research (Bruton et al., 2010).
Contingency Theory (CT)	CT proposes that the performance outcomes of organizational units are a result of the fit between a unit's external context and internal arrangements (Van de Ven et al., 2013).	The extent to which effective capabilities (those that enhance organizational fit & performance) vary with dynamic markets (Eisenhardt & Martin, 2000), enabling a fit with changing general business environments (Zajac, Kraatz, & Bresser, 2000).	How do the characteristics of the general business environment influence the development of dynamic capabilities of proactive environmental strategies, and subsequently impact on competitive advantage (Aragon-Correa & Sharma, 2003).	Changing organizations (Van de Ven et al., 2013) and dynamic environments (Husted, 2000; Sirmon et al., 2007).

Theory	Definition	Principle Aim	Key Variable/Fact(s)	Application
Natural Resource Based View (NRBV)	<p>The interaction between an organization and its natural environment (Hart & Dowell, 2011) is central to the achievement of sustainable competitive advantage (Hart, 1995).</p> <p>The NRBV argues that there are three key strategic capabilities: pollution prevention, product stewardship, and sustainable development, each of which has different environmental driving forces, building upon different key resources and sources of sustainable competitive advantage (Hart & Dowell, 2011).</p>	To determine the extent to which the natural environment creates serious constraints on developing a sustainable competitive advantage (Hart, 1995).	One of the most important drivers of new resources and capability development for firms are the constraints and challenges posed by the natural (biophysical) environment (Hart, 1995)	Business markets in developed (Hart, 1995) and developing countries (Hart & Dowell, 2011).

Theory	Definition	Principle Aim	Key Variable/Fact(s)	Application
Dynamic Capabilities (DC)	DC is an extension of resource base theory (Eisenhardt & Martin, 2000), and is defined as an ability to integrate, build, and reconfigure internal and external competencies to address rapidly-changing environments (Teece et al., 1997).	DC aims to establish matching internal resource configurations with those of the environment (Teece et al., 1997)	DC involve processes embedded within firms and the manipulation of organizational resources including acquiring, shedding, integrating, and recombining resources to produce contemporary value-creating strategies (Grant, 1996).	Dynamic markets (Teece et al., 1997), high velocity markets (Eisenhardt & Martin, 2000), and enterprises established and operating in developing countries (Tashman & Marano, 2010).

Table 3.1

Chapter 4

Methodology

This chapter involves two main sections; research design and method. The research design presents a qualitative case study approach, leading to a discussion of constructivist ontology, interpretivist epistemology, and formative evaluation. A discussion of how case studies can generate and test theory when used as a tool for breaking insights into strategic management follows. Consideration is afforded to advantages and disadvantages associated with this method of enquiry, succeeded by an examination of the case criteria determinants of validity and reliability. These two determinants, advocated by Yin (1994), ensure research rigor is achieved. Finally, case study approaches are scrutinized, culminating in an appraisal of applied research and formative evaluation. The method section of this chapter provides an examination of B4MD's participants, research protocols utilized, and a description of interview procedures and schedule material.

Research Paradigm

Qualitative Research

Qualitative research has increased in popularity since the post war period (Travers, 2001). This method refers to a broad class of empirical procedures designed to describe and interpret the experiences of research participants in context-specific settings (Denzin & Lincoln, 2000). By way of contrast, quantification is limited in nature, concentrating on a relatively small portion of reality that cannot be split or unitized without losing the importance of the whole phenomenon (Krauss, 2005).

Qualitative investigators operate under different epistemological assumptions when compared with quantitative researchers. Krauss (2005) stated that the best way to understand any phenomenon is to view it in its context, advocating that one of the best ways to understand what is going on is to move into the culture of an organization being studied and experience what it is like to be part of it. Trochim (2000) postulated that qualitative researchers also operate under different ontological assumptions about the world. They do not presume that there is a solitary unitary reality apart from our

perceptions. Each of us experiences a different reality from our own personal perspective. Consequently, the notion of *multiple realities* exist. Conducting research without taking this view into account violates a fundamental view of the individual. As such, methods that attempt to aggregate across individuals are opposed on the grounds that each individual is unique. Moreover, Trochim (2000) espouses that researchers are unique and as such all research is essentially biased because of the pervasive influence of individual perceptions (Smyrnios, Schultz, Smyrnios, & Kirkby, 1986). Thus, there is little, if any, point in trying to *establish validity* in any external or objective sense. According to Becker (1996), a major epistemological advantage of qualitative research is that this approach allows investigators to grasp the point of view of respondents. This approach satisfies the social science view of recognizing another person's perspective, serving as an example of the variety of meanings methodological slogans acquire. Rigor in qualitative data analysis provides a necessary element for maximizing the potential for generating meaning.

In general, qualitative research is based on a relativistic, constructivist ontology that posits that there is no objective reality. Rather, there are a multiple realities constructed by human beings who experience a phenomenon of interest (Lythcott & Duschl, 1990). People impose order on the world perceived in an effort to construct meaning; and the resulting knowledge is idiosyncratic and is purposefully constructed (Lythcott & Duschl, 1990). As a result of the nature of qualitative research to interpret subjective experiences, the following positions are adopted: constructivist ontology, interpretivist epistemology, logico-deduction theory development, and case study.

Constructivist Ontology

Ontology is the starting point for all research (Grix, 2004). Ontological positions are often divided between those based on foundationalism and anti-foundationalism (Hughes & Sharrock, 1997). These authors also prescribe that foundationalism rests upon a set of firm, unquestionable, and indisputable truths. Truth can result in beliefs becoming logically deduced. Central to a foundationalist perspective is the view that reality exists independently of our knowledge of it, contributing to a positivist and realist tradition of research (Flyvbjerg, 2001). Additionally, values are considered to be rationally and universally grounded.

Anti-foundationalists, by contrast, believe that neither the world exists independently of our knowledge of it, but rather *reality* is socially and discursively *constructed*, nor are values rationally and universally grounded. Bryman (2001) advocated that ontological positions are contained within *objectivism* and *constructivism*, with the former asserting that social phenomena and their meanings exist independent of social actors. Constructivism, however, holds that social phenomena and their meanings are the outcome of social actors, and social interaction, and are in a constant state of revision. Clearly, knowledge, and the various ways of discovering it from a constructivist ontological perspective, is not static but constantly transforming. When pondering on theories and concepts in general, the need to reflect on the philosophical assumptions or epistemology upon which those assumptions are based and where they originate from is essential to discern. As ontology is the origin for all research, Grix (2004) what's more states that the epistemological and methodological positions follow logically. A researcher's epistemology contributes to generating knowledge and explanations about the ontological components of the social world.

Interpretivist Epistemology

Epistemology focuses on the knowledge gathering process (Grix, 2004). The position is concerned with developing new models, or theories, which can improve competing models and theories. Two contrasting epistemological positions are contained within the research paradigm, interpretivism and positivism (Grix, 2004). Rabinow and Sullivan (1979) proposed that an epistemological shift from positivism to interpretivism was occurring in social science in the mid-to-late 20th century. Rabinow, an anthropologist, and Sullivan, a philosopher, symbolized a merging of the social sciences and the humanities (Howe, 1998). The positivist approach adopts an epistemological position advocating that the application of the methods of the natural sciences to the study of social reality. The interpretivist paradigm however proposes that a research strategy respects differences between people and the objects of the natural sciences, therefore requiring the social scientist to understand the subjective meaning of social action (Bryman, 2001). Grix (2004) asserted that an interpretivist paradigm also requires researchers to recognize theory as deriving from data collection and not as the driving force of research.

Interpretive approaches provide a deep insight into *the complex world of lived experience from the point of view of those who live it* (Schwandt, 1994, p. 118). Interpretive research supposes that reality is socially constructed, and that researchers become the vehicle by which this reality is revealed (Cavana, Delahaye, & Sekaran, 2001). This approach is consistent with the construction of the social world characterized by interaction between researchers and participants (Mingers, 2001). Interpretive study can be subjective and can be supported by arguments rather than statistical exactness (Garcia & Quek, 1997). However, Turner (1981) concluded that the absence of detailed information regarding how qualitative data should be processed, can act as a major impediment to research outcomes. Consequently, a logico-deductive approach to theory development has been utilized, to build upon existing BoP case study models as illustrated by London (2007).

Application of the Logico-Deduction Approach to Theory Development

The grounded theory approach (Charmaz, 2006; Hitchcock & Huges, 1989) aims to develop rather than test theory. Development of conceptual models can emerge from an in-depth study of individual cases (Taber, 2000) such as the B4MD HFP project. Models emerging from this approach can be tested through the application of logico-deductive procedures. In other words, *by offering a set of systematic procedures, grounded theory enables qualitative researchers to generate ideas that may later be verified through traditional logico-deductive methods* (Charmaz, 1995, p. 48).

Logico-deductive reasoning draws upon established hypothetical frameworks in generating theory (Hakkinen & Hilmola, 2005). According to Dey (1999), theory can be developed followed by a systematic process of seeking out evidence to support that theory. Logico-deductive theory begins with abstract theory, logically deduces several implications, and formulates a number of hypotheses that are then tested subsequently. A logico-deduction approach to qualitative theory generation differs from inductive strategies (Patton, 2002), such as grounded theory (Charmaz, 2003). In moving from data to theory, the grounded theory approach relies predominately on introspection and induction. Although introspection plays a significant role into the development of theory, it is not necessarily any more accurate or better than deduction. Of noteworthy importance, however, is when data is utilized for theory development, as it is unclear as to what point empirical findings become an integral component of theory (Klein, 1991).

Mackenzie and House (1978) suggested that a strong inference approach involving researchers who attempt to refute hypotheses deduced logically from a theory, is one of the most efficient processes for pursuing knowledge. However, these authors also claimed that a logico-deductive approach has advantages over a grounded theory method because the amount of information obtained at each step in a program of research can be increased, cutting down on the number of investigations required to rule out alternative explanations.

In support of these views, Mollona (2008) proposed that logico-deductive approaches have the capacity to reduce a perceived gap between data and theory model development stating that:

I am aware that by using logico-deductive methods to build formal theory from substantive grounded theories, as substitute for further data searching, researchers may create a gap between the theory and the data that the formal theory purports to handle (Glaser & Strauss, 1967, pp. 91-92). Yet, I believe that a rigorous model building process can reduce the gap to acceptable levels. Thus, if not rigorously conducted, formal logico-deductive approach to theory building may lead to abstract theories, detached from the empirical world; yet, rigorously built abstractions provide new lenses to interpret real data and to develop formal theories from substantive ones (p. 209).

Notwithstanding, theory building benefits from both inductive and deductive reasoning, and in most cases, both can be involved (Klein, 1991). For data to be systematically obtained, a frame work or model is required. As noted by Dubin (1976), once inductive conclusions have been established, a next step involves explorations of their implications, known as deductive approaches. This approach can generate hypotheses that can become the basis for further empirical evidence. Without the application of deductive processes, grounded theories would evolve randomly and possibly remain confined only in relation to the samples, settings, and procedures of the studies which yielded the relevant information (Klein, 1991). Accordingly, in line with Taber (2000), the present thesis adopts a logico-deductive method of theory building and verification, involving the initial development of a proposed conceptual model, incorporating nine propositions through an in-depth case study of the B4MD HFP venture.

Case Study Research

A case study is *an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident* (Yin, 2003, p. 13). According to Hartley (2004), case study research involves a detailed investigation, often with data collected over a period of time, of phenomena, within their context. Case study design can be conducted in a natural setting, designed at comprehending the nature of current processes in a previously little-studied area (Benbasat, Goldstein, & Mead, 1987). Additionally, the process allows researchers to grasp a holistic understanding of a phenomenon under investigation (Eisenhardt, 1989). Qualitative research provides an analysis of the context and processes that illuminate theoretical issues being studied (Hartley, 2004). The process seeks to answer how and why questions rather than addressing how many or how much (Yin, 2003). Case studies used as a tool for generating and testing theory, have provided ground-breaking insights to the strategic management field (Burgelman, 1983; Pettigrew, 1973) such as sociology, organizational psychology, anthropology, employment relations, and political science (Hartley, 2004). Case study methods have increasingly been employed in academic research (Robson, 2002; Yin, 1994) with several notable publications examining the approach (Eisenhardt, 1989; Hamel, 1993; Stake, 1995).

Purpose of Case Study Research

Simons (2009) stated that a case study primarily explores the particularity and uniqueness of a single case. An indispensable mission of a case study is, however, to understand the distinctiveness of an individual case, something Smith (1978) referred to as a *bounded system*, and MacDonald and Walker (1975) as an *instance in action*. A case study is not a method but a research strategy (Hartley, 2004), which seeks to examine a phenomenon within its contexts rather than independent of it (Pettigrew, 1973). Of noteworthy attention however is the criticism that the case study approach has been prone to apprehensions regarding methodological rigor in terms of validity and reliability (March, Sproull, & Tamuz, 1991; Yin, 1981). Researchers adopting a case study design can face a number of challenges in presenting their argument (Andrade, 2009). Yin (2003) recommended that researchers be conscious that their findings might be challenged. This is prefaced by enumerating the alleged weaknesses in case studies: a

methodology sometimes regarded as downgrading the academic disciplines and lacking sufficient precision, objectivity, and rigor. While deficiencies in any methodology are problematic (Bergh, Perry, & Hanke, 2006) an escalating assuredness in the case study method, as a rigorous research strategy in management and strategy research has emerged (Eisenhardt & Graebner, 2007; Simons, 2009).

Case Research: Validity and Reliability

It is recognized that case studies can follow either quantitative or qualitative approaches (Doolin, 1996; Stake, 1994), or any mix of both (Yin, 2003). Despite the approach adopted, Healy and Perry (2000) recommended that certain criteria needed to be adopted to ensure the rigor of the research. These criteria hinge on what authors subscribe to as the preferred model of science. Voss, Tsikriktsis, and Frohlich (2002) emphasized the reliability and validity of investigative data, as a way of overcoming criticisms associated with case studies (Yin, 2003). Yin (1994) advanced four criteria: construct validity (establishing correct operational measures for the concepts being studied); internal validity (establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships); external validity (establishing the domain to which a study's findings can be generalized); and reliability (demonstrating that the operations of a study – such as the data collection procedures can be repeated, with the same results). Below, these four criteria are discussed briefly.

Construct validity. Construct validity recognizes the problematic nature of defining a correct operational set of measures for concepts being examined (Leonard-Barton, 1990). In accordance with Yin (1994), construct validity can be tested by adaptation of key practices: use of multiple sources of evidence; establishing a chain of evidence; and review draft cases by key informants.

Use of multiple sources of evidence. A major strength of case study data collection is the opportunity to utilize multiple sources of evidence. In application, this principle allows an investigator to address a broad range of historical, attitudinal, and behavioral issues. In relation to the current thesis, the utilization of triangulation is presented in the form of interview data and company documents pertaining to B4MD.

Establishing a chain of evidence: A second principle of construct validity concerns the ways of organizing and documenting data sourced from case studies (Yin, 1994). This thesis involves supervisory investigation pertaining to the research questions, research strategy, interview protocol, and case summaries. The present case studies were examined to ensure that coherency, flow, lucidity, and simplicity was achieved, resulting in a sound chain of evidence.

Key informants review draft case. As a way of ensuring the reliability of case study information, key informants were invited to review case draft material, adhering to a key tactic prescribed by Yin (1994). Key informants of B4MD were requested to comment upon relevant case reports, and models, authenticating the details presented.

External validity and internal validity. External validity is concerned with whether findings can be generalized or replicated beyond the immediate case study. Replication issues can be a cause of considerable problem for case studies. This thesis, however, in part, addresses the replication issue because case study material is employed to build upon the London (2007) model, rather than test pertinent theories. Internal validity involves the extent of establishing causal relationships, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships. Yin (1994) suggested that internal validity, however, is a concern for explanatory case studies whereby determining whether an event (variable) leads to the development of another variable event. In addition, case studies encounter inferences when an event cannot be directly observed by a researcher. When interview and documentary evidence is sourced from a particular event, questions arise as to the validity of evidence such as is the inference correct? Have rival explanations and possibilities been examined? Is the evidence sourced convergent? And does it appear air tight? This thesis research design addresses these questions through the application of explanation-building analysis (Yin, 1994).

Reliability. As noted earlier, reliability concerns the extent to which a study's operations can be repeated, with the same results (Yin, 1994). In other words, minimizing errors and biases within a case study. In addressing these concerns, a case study protocol was employed, essential for multiple-case design.

Case study types

A number of case study approaches are available to qualitative researchers. Stake (1995) introduced three types of a study approaches: *intrinsic*, where a case is examined for the intrinsic interest in the case itself; *instrumental*, where a case is chosen in exploration of an issue or research question which attempts to gain insight or understanding into something else; and *collective*, whereby several cases are examined to form a collective understanding of an issue or question. In contrast, theory-led or theory-generated case studies approach can contain several meanings. For example, Glaser and Strauss (1967) proposed that generating theory arises from data and can be achieved through either classic grounded theory or constructivist grounded theory (Charmaz, 2006), or some other interpretive lens that leads to an eventual theory involving the case. Ethnographic cases, by comparison, involve the application of different approaches such as participative observation, to gain close-up descriptions of a context and are concerned with understanding a case in relation to a theory or theories of culture (Simons, 2009).

In addition to these three approaches, Bassey (1999) proposed a reconstruction of educational case studies. This author categorized cases studies as theory-seeking and theory-testing, story-telling and picture-drawing, and evaluative. Merriam (1988) characterized case study categories subject to their discipline framework, and by the nature of how they are also written-up – descriptive, interpretive, and evaluative. Yin (1994) however highlighted that in the context of evaluation research, five categories are pertinent – explanatory, descriptive, illustrative, exploratory, and meta-evaluation (i.e., a study of an evaluation study). The present thesis adopts the Yin (1994) categorization of a case study by application of an explanatory case study approach to the development of a BoP poverty MDG conceptual model. This justification is premised upon: First, case studies are considered most appropriate as tools in the critical, early phases of a new management theory, when key variables and their relationships are being explored (Eisenhardt, 1989; Yin, 1994). Second, case studies are typically carried out in close interaction with practitioners, and they deal with real management situations. Case studies therefore represent a methodology that is ideally suited to creating managerially relevant knowledge (Amabile et al., 2001).

Theory to Action: Applied Research and Formative Evaluation

Social research is presented in multiple shapes and sizes. For over a century, sociology comprised of two sides or orientations (Neuman, 1997). For example, researchers adopted a more detached, scientific, and academic orientation, while others espoused a more activist, pragmatic, and reform orientation. However, researchers from both sides have maintained collaborative and friendly relations (Neuman, 1997). Differences in orientation encompass how to appropriately use social research. Particular researchers use study to advance general knowledge, whereas others use it to solve specific problems. Those who pursue an understanding of the rudimentary nature of social reality engage with basic research. Applied researchers, by contrast, principally desire to employ and tailor knowledge to address a specific practical issue. These investigators want to answer policy questions or solve a pressing social problem (Neuman, 1997). Applied research can entail studies that address specific concerns, or offer solutions to problems relating to an employer, an organization a person might be affiliated with, a community, or a social movement to which a person can also be committed to (Neuman, 1997). Sarantakos (2005) advocated that applied research addresses real life situations that require immediate attention. Additionally, unlike basic research, which aims primarily to gain new knowledge and to promote the scientific understanding of the world, applied research is primarily interested in identifying problem areas, searching for relevant solutions, and producing direct answers.

There is a diverse range of applied research including evaluation, action, and social impact assessment (Neuman, 1997). Evaluative research can be employed within the context of large and relatively small organizations (i.e., governments, large non-profit agencies) to determine whether programs, new ways of doing something, marketing campaigns, and policy implementation, inter alia are effective. There are two types of evaluative research: formative and summative (Neuman, 1997). As the HFP is designed to progress the MDGs in PNG by 2015, a formative evaluation procedure was adopted, supporting Neuman's (1997) contention that this approach can be exercised for the monitoring or continuous feedback of programs and assessment of processes. According to Barab and Squire (2004), formative evaluation is naturalistic, process oriented, and iterative, involving creating tangible designs that work in social settings. This approach

also concerns articulating goals, operationalizing measures, examining phenomena and understanding the consequences of its use (both intended and unintended).

An accelerating conviction in the case study method is gaining momentum in academic circles (Grix, 2004). This approach can be identified as a meticulous and demanding research strategy within the management and strategy field. A social phenomenon leads to the exploration that all meanings to an outcome are to be explored; consequently, a constructivist and interpretivist epistemology is adopted. This approach is exercised in recognition that knowledge is not static but constantly transforming in the social arena. The social phenomenon of poverty in the Southern Highlands province in PNG precipitates justification for a case study approach. By application of a semi-structured interview protocol, designed within an applied research and formative evaluation strategy, B4MD's ability to adopt a BoP market-based approach to assist in achieving poverty and subsequent MDGs in PNG is identified. The subsequent section of this chapter reports on the methodology of the present thesis. This section begins with a description of the key elements of the case, an outline of the interview protocol, and a description of the data collection and data analytic procedures.

Method

Case: B4MD's HFP Project

The present case is B4MD, a social enterprise, established in 2007 in Melbourne, Australia. B4MD connects Australian business with profitable opportunities delivering poverty reduction outcomes and other United Nations (UN) MDGs. The NGO's objective is to produce a paradigm shift within corporate Australia by encouraging business to become inclusive with economically disadvantaged communities with whom they currently, or will operate, in line with the UN *call-to-action*. The only organization of its kind in Australia, B4MD is formed by business-for-business, brokering developmental initiatives, encouraging poverty mitigation and other social development outcomes.

The B4MD's HFP project in the Southern Highlands province of PNG involves 23 Chief Executive Officers (CEOs) of companies such as Oil Search Limited (OSL), AWB LandMark, ExxonMobil, Goodman Fielder, Visy, Nestlé Pacific, and Agility (Australia). This project aims to provide opportunities for local farmers to engage in

sustainable income earning activities. Through the HFP, local agricultural produce will supply the OSL 12,000 personnel work camps based in the Southern Highlands province. The project aims to predominantly achieve the MDG 1 (eradicate extreme poverty and hunger) in PNG, followed by MDGs 2 to 7. The project is the first of its kind undertaken in the Asia Pacific region. Without the advent of HFP, PNG catering suppliers claim demand from OSL for local agricultural produce will not be achieved in the short-to-medium term.

Procedures

Interviews. Over the course of four months, digitally recorded, semi-structured interviews with seven B4MD board executives were undertaken either at their work premises, Melbourne airport, or homes. Interviews were for 1 to 1.5 hours, depending on the time availability of interviewees. Follow-up communications by phone and email was also undertaken to garner supplementary information and clarification of issues (Creswell, 2005). Interview responses were transcribed immediately after each interview by the current researcher. Individual transcripts ranged from 4,000-to-6,000 words, and approximated an equivalent of between 5-to-6 pages of single-spaced text.

An invitation to sign Consent forms (Appendix 3) and Plain Language Statements (Appendix 4) were given to all participants. After each interview, respondents were sent copies of the case study reports, coupled with each case's conceptual model development. Respectively, Table 4.1 shows the names, board positions and academic qualifications of the seven interviewees for each case.

Interview Protocol. The pre-arranged interview protocol focused upon developing poverty capability concepts within a BoP poverty MDG approach. The London (2007) BoP academic model provided the basis of the interview protocol and related questions. Appendix 1 provides a summary of the interview protocol excluding follow-up questions. The interview protocol was developed in response to research questions 1, 2, and 3. The following incorporates a summarization of the interview protocol. As a consequence of the reduced role of the Reverend Costello in the establishment of the HFP, interview protocol questions are less extensive (Appendix 2). The interview protocol focuses upon market entry strategies, Social Entrepreneurship Orientation (SEO) and Learning Orientation (LO), coupled with three research questions.

Table 4.1- B4MD Board Members Interviews for Each Case

Name, Academic Qualification, and Board Position
Case 1 Bill Hurditch: PhD.; B.Sc.; (Hons) Board Member
Reverend Tim Costello (AO): M.Th.; BJuris.; LLB.; DipEd Board Member
Case 2 Simon McKeon: B.Com.; LLB B4MD Chairman
Dan Evans: PhD.; MBA Deputy Chairman
Case 3 Mr Mick Turnbull: PGDBM Board Member
Mr Mark Ingram: BA Chief Executive Officer
Mr Masud Isa: MBA General Manager: Project Development

Research Questions. The research questions employed within this study make use of the interview protocol (Appendix 1 & 2, pp. 188-190) presented to B4MD informants. SEO and LO emanate from the interview protocol which contribute to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise.

Research Question 1 (RQ1): How does a non-governmental organization (NGO) collaborate with a MNC in order to meet the UN first MDG, mitigating poverty?

RQ1 contains a series of 6 questions aimed at revealing: (1) whether a particular social development model can be utilized by B4MD and Australian MNCs to progress the MDGs in a developing country; (2) can issues arise by Australian MNCs in response to a social development model designed for MDG advancement; (3) if issues do arise, how can they be overcome?; and (4) can Australian MNCs derive benefits stemming from a social development model designed for MDG achievement? Response findings are designed around B4MD's HFP enterprise and are considered to act as a foundation for this thesis conceptual model for a BoP poverty MDG social business enterprise.

Research Question 2 (RQ2): How does a MNC create value outcomes by co-creation and engaging with economically disadvantaged communities with the explicit goal of progressing the poverty MDG?

RQ2 primarily seeks to uncover whether economically disadvantaged communities achieve benefits from the HFP enterprise. Additionally, interviews questions are designed to illicit whether: (1) can Australian MNCs achieve social development outcomes, designed for MDG progression, without a NGO involvement; (2) can a market-based social development model achieve benefits for economically disadvantaged communities; (3) has intangible benefits, such as trust, been achieved through the HFP co-creation process; and (4) is the development of a trusted network of relationship with economically disadvantaged communities necessary for MDG advancement.

Research Question 3 (RQ3): Utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between Social Business Enterprise, MNC, co-creation, and value outcomes?

The objective of RQ3 is to discover whether the HFP's BoP approach delivers value outcomes for the Australian consortium. Subject to findings revealed, the interview protocol was geared to unearthing if replication of the HFP BoP process can be replicated into another developing country. The interview protocol addressed: (1) whether a co-creation process of sourcing indigenous knowledge acts as a vital ingredient to any successful design of a market-based poverty mitigation project; (2) can inter-sectorial economies (other business sectors) engage in poverty mitigation projects;

and (3) unearthing the imperativeness of a developing country's national government contribution to fostering BoP approaches designed for MDG advancement.

Data Analytical Procedures

Verification. In ensuring internal validity, the following strategies were employed:

1. Triangulation of data: Data were collected through multiple sources including interviews, observations, and document analysis;
2. Member checking: B4MD informants served as a check throughout the analysis process. Ongoing dialogue regarding interpretations of informant's reality and meanings were undertaken, ensuring the truth value of the data was achieved;
3. Participatory modes of research: B4MD informants were involved in pertinent phases of this study, from the design of the project to checking interpretations and conclusions; and
4. Clarification of researcher bias: From the outset of this study, researcher bias is articulated in writing in the dissertation proposal under the heading *the researcher role*.

In regard to the data analytic procedures, interview data relating to research notes and secondary information, such as co-creation and environmental resources and infrastructure were examined to identify patterns/themes through a thematic analysis (Creswell, 2008; Braun & Clarke, 2006). This approach is compatible with constructivist ontology. Analysis and coding of the interview transcripts were carried out and based on a set of labels and key words (e.g., partnerships, supply chains, knowledge, communication). Adequacy or rigor was achieved through interpretation of data and illustrated with quotations from the interview transcripts (Cutcliffe & McKenna, 2002). Overarching themes were supported by excerpts from the raw data, to ensure that data interpretation also remained directly linked to the words of the participants. This process culminated in the development of three case studies that contributed to the advancement of respective interrelated models.

Reporting of Findings

Lofland (1974) put forward that although analysis strategies and data collection are comparable across qualitative methods, report findings can be dissimilar. Miles and

Huberman (1984) concentrate upon the significance of developing a data display and propose that narrative text has been a frequent form of display for qualitative data. This study is naturalistic, therefore, examination results are presented in a narrative, descriptive form rather than a scientific report. This study is a construction of the B4MD informant's experiences, coupled with the meanings attached to them. Building upon the London (2007) market-based conceptualization, the subsequent Chapters of five to seven, entail three case study examinations on not-for-profit (NFP) poverty relief organization, B4MD. Examinations are conducted upon the NGO's poverty relief project, HFP, located in the Southern Highlands province of PNG, to which the findings are a factor in the development of a BoP poverty MDG conceptual model of a Social Business Enterprise.

Chapter 5

Identification of a Social Business Enterprise

Case Synopsis

This case focuses upon the identification of a social business enterprise. Within the context of the overarching framework of the United Nations (UN) Millennium Development Goals (MDGs), findings emerge: social business enterprise precipitates an innovative social development market-based approach called Base of the Pyramid (BoP). The UN call-to-action for corporate support to assist developing countries achieve the MDGs advances the protocols introduction. Case examination focuses upon the role of non-government organization (NGO), Business for Millennium Development (B4MD), and the organization's role in aiding the application of a BoP poverty MDG project. Gleaned findings are sourced by an in depth examination of the NGO, and its related MDG organizational activities in the Southern Highlands province of Papua New Guinea (PNG). Case material is acquired from B4MD co-founders Dr Bill Hurditch and Reverend Tim Costello, in addition to other company senior board executives. Evaluated is B4MD's philosophy of co-creation by BoP utilization, and how corporate social responsibility fetters the development of this pioneering approach. In depth interview materials derived from three case studies culminate in the development of a BoP poverty MDG conceptual model. Each case contributes to aspects of the model which are unique but overlapping. This case emphasizes the antecedents of the model. Strategic orientations of entrepreneurship and learning are appraised contributing to the development of social business enterprise construct in BoP models. Furthermore, seven additional behavioral characteristics are introduced culminating the construct's creation. Within this thesis, social outcomes fall under the umbrella of the United Nations MDGs (one to seven) which are specific to developing countries. This case introduces material identifying economically disadvantaged communities as underprivileged women farmers, who live in subsistence, residing in the Southern Highlands province of PNG. B4MD are presented as a social business enterprise. Finally, material emanating from this case study links

with the other three cases reported in this chapter, forming an integral part of the conceptual model building process.

Introduction

Case examination premier B4MD's BoP poverty MDG project based in the Southern Highlands province in PNG. Answering the UN 'call-to-action', the NGO promotes the MDGs by connecting Australian multinational companies (MNCs) to the frameworks opportunities. The case details the background of B4MD and the organization's values mirroring a UN declaration to MDG/s achievement. The declaration involves the commitment of all UN member countries in delivering improved economic and social conditions between the years 2000 to 2015. In response to the 'call-to-action', literature examines a theoretical market-based protocol approach to social development called BoP. The approach involves companies serving the needs of the underprivileged by creating close personal business relationships with economically disadvantaged communities. At its core, the protocol embeds a co-invention and co-creation process facilitating achieved mutual benefits. By implication, social entrepreneurship is reviewed with its relevancy to social enterprise, and with advancing the MDGs. Material then identifies B4MD as a social enterprise, adopting a philosophy of co-creation by BoP protocol utilization. Interviews elicit the emergence of corporate social responsibility (CSR) as counter-productive to B4MD's BoP approach for MDG progression in developing countries. Highlighted is Australian MNCs preference for donations resisting BoP engagements with economically disadvantaged communities. Concluding, academic literature and case interview material pertaining to B4MD's BoP MDG project in PNG are analyzed. Additionally, entrepreneurial and learning orientation are canvassed. These constructs are utilized contributing to the identification of a BoP poverty MDG conceptual model of a Social Business Enterprise. Moreover, findings reveal the identification of seven additional behavioral characteristics pertaining to the construct's development, and how this orientation can act as a key source of advantage.

Case material is derived from separate interviews with Dr. Bill Hurditch and Reverend Tim Costello. Interview material from four other B4MD executives Simon McKeon, Mark Ingram, Masud Isa and Mick Turnball is also included. In response to Ingram (2010), the research context is Australian NGOs and MNCs owing to the prevailing PNG civil unrest that prevented one-to-one interviews with indigenous women farmers and community elders. Interviewee responses are further utilized in the three subsequent case studies contributing to conceptual model's formation. Mr Simon

McKeon is the inaugural Chairman of B4MD and has worked closely with the organization during his tenure. He was awarded the Australian of the Year 2011 because of his philanthropic contributions. Mr Mark Ingram, a former New Zealand Diplomat, is B4MD's incumbent Chief Executive Officer (CEO), and Mr Masud Isa is B4MD's General Manager and Project Manager. Mr Isa worked closely with Professor Muhammad Yunus, Chairman of Grameen Bank, in establishing the micro-credit financial institution. Mr Mick Turnbull, CEO and Managing Director of Agility Logistics Australia. Mr Turnbull's interview findings are used as representative of Australian multinational companies participating with B4MD.

Dr Bill Hurditch is a foundation principal and director of The Fifth Estate. Dr Hurditch provides strategic and business development advice to corporations across Australia and abroad. Specializing in issues management and business representation, he has worked extensively with government and opposition politicians; key opinion-leaders; and media. Dr Hurditch has also been actively involved in formulation of legislation and other initiatives to enhance natural resource industries, particularly in water, forestry, mining, and agribusiness.

Dr Hurditch is a graduate of the University of New England with first class honors in Science and a PhD in forest ecology. His research interests include the natural ecology of forests, and corporate organizational management. He has published scientific papers, authored book environmental, social and economic implications of forestry privatization chapters, and speaks regularly at scientific and popular forums. Dr Hurditch is a visiting scientist at Oxford University, lecturing to postgraduate and undergraduate students in resource economics, forestry policy, ecology, soil chemistry. He has delivered specialist seminars and papers on resource management policy and practice at a range of international forums, including in Washington DC, Oxford, London (Institute of Economic Affairs), and Paris (Institute Euro).

Reverend Tim Costello is recognized as one of Australia's leading voices on social justice issues. Since 2004, as Chief Executive of World Vision Australia, Reverend Costello has been ensuring global poverty issues are well placed on the national agenda. Prior to joining World Vision Australia, Reverend Costello served as Minister at the Collins Street Baptist Church in Melbourne, and as Executive Director of Urban Seed, a Christian not-for-profit outreach service for the urban poor. Between 1999 and 2002, he was National President of the Baptist Union of Australia. Reverend Costello academic achievements entail studying law and education at Monash University, followed by theology at the International Baptist

Seminary in Rueschlikon, Switzerland. He also has a Masters degree in Theology from Melbourne College of Divinity. In 2004, Reverend Costello was named Victorian of the Year; in June 2005 he was made an Officer of the Order of Australia (AO); and in 2006 was named Victorian Australian of the Year. He has authorized or co-authored three books - Another Way to Love, Streets of Hope Finding God in St Kilda; Tips from a Travelling Soul Searcher and Wanna Bet? Winners and Losers in Gambling's Luck Myth (co-written with Royce Millar).

Business for Millennium Development (B4MD)

Established in 2007 and based in Melbourne, Australia, B4MD connects Australian business with profitable opportunities delivering poverty reduction outcomes and other United Nations (UN) Millennium Development Goals (MDGs). The NGO's objective is to produce a paradigm shift within corporate Australia by introducing business to become inclusive with economically disadvantaged communities with whom they currently, or will operate, in line with the United Nations 'call-to-action'. The only organization of its kind in Australia, B4MD is formed by business-for-business, brokering developmental initiatives encouraging poverty mitigation and other social development outcomes. Mark Ingram explains *B4MD has three roles: we are a catalyst that generates project ideas and recruits appropriate companies; we are the glue that sticks the project players together; and we have an ongoing role to ensure the project does not deviate from the mandate to contribute to progress on the MDGs.*

World Vision Australia and Australian multinational corporations (MNCs) - IBM, KPMG, Insurance Australia Group, Visy, and the Grey Group – founded the NGO in response to the 2007 UN call to action to business (Ingram, 2008). World Vision Australia wanted to provide a different dimension for business participation, where participation is not just the consequence of a personal interest, but a wider corporate concern and obligation. The NGO challenges MNCs to consider how corporate Australia might do more to address global poverty. The organization chiefly promotes informed discussion and action within the Australian business community and supports the achievement of the eight MDGs (Ingram, 2008). Designed to facilitate multi-party and inter-sectorial links with Australian companies, the NGO harnesses business expertise and knowledge delivering sustainable and profitable MDG projects. The organization claims that NGOs uniquely understands the needs of economically disadvantaged communities, and businesses understand how to create

marketplace opportunities (Ingram, 2008). B4MD recognizes that companies must operate transparently in developing markets; pro-poor business is only relevant to companies that do no harm. However, the organization actively encourages all companies to consider business opportunities with those living in developing markets (Business For Millennium Development, 2008).

The UN Millennium Development Goals (MDGs)

The UN MDGs presented to the world, for the first time, a consensus concerning the most important societal developmental challenges for the years 2000 to 2015. The goals were adopted on 8 September 2000, under the auspices of the UN Millennium Declaration. The declaration embodies a commitment by UN member countries to improve economic and social conditions (Ebrahim, 2008). To operationalize the declaration, the UN Secretariat put in place a set of 8 targets and indicators: (i) to eradicate extreme poverty and hunger; (ii) to achieve universal primary education; (iii) to improve gender equality and empower women; (iv) to reduce child mortality; (v) to improve maternal health; (vi) to combat HIV/AIDS, malaria, and other diseases; (vii) to ensure environmental sustainability; and (viii) to develop a global partnership for development (United Nations, 2003).

The MDGs also emphasize the role of developed countries in aiding developing countries as outlined in goal eight. This goal sets objectives and targets for developed countries to achieve a global partnership for development. Encouraging technology transfer can act as a tool for that development (Haines & Cassels, 2004; Nations, 2006). The resultant affect is developing nations are not left to achieve the MDGs on their own accord, but as a partner in the developing-developed compact to reduce world poverty (Haines & Cassels, 2004; Nations, 2006). The link now between economic growth and achieving the MDGs is in how the opportunities created by growth, and the benefits from growth, support the human development of economically disadvantaged communities (Overseas Development Institute, 2010). Foreign companies in the form of foreign direct investment can perform that link in developing countries. Business can become an important and influential actor through their market liberalization acumen (Prescott & Nelson, 2003). According to B4MD *the MDGs represent the best plan the world has ever had. However, achieving these goals cannot be left just to NGOs. There is a key leadership role for Australian business and international corporations. The MDGs provide a useful hook to create interest within the private sector to*

include global poverty as an element of their corporate investment strategy (Business For Millennium Development, 2009).

UN Call-to-Action: Corporate support to achieve the MDGs

In line with MDG 8, the UN ‘call-to-action’ announcement in 2007 challenged companies to invest in projects that would further advance the MDGs. Mark Ingram explains: *the call to action requires commercial projects pursuing social progression to engage and work with non-governmental organizations and local communities*. Moreover, scholarly literature has complimented the call-to-action. Authors (Hart & Christensen, 2002; Prahalad & Ramaswamy, 2004) suggest stimulating commerce and development in developing countries could improve the lives of billions of people creating further stability and inclusiveness globally.

As indicated previously, the UN General Assembly adopted the Millennium Declaration. The declaration updated many of the organization’s previous social development goals which were not met by the year 2000. Those unattained goals were refined and reintroduced as the MDGs, designed as a framework for action (Asia Pacific Civil Society Forum, 2003). To drive economic growth and wealth creation in advancing the MDGs, the call for corporate support was identified (Prescott & Nelson, 2003). Echoing the call, World Vision Australia CEO Reverend Tim Costello (AO): *Governments, NGOs and the public were doing their bit around the MDGs, businesses didn’t even know about them here in Australia, and businesses are a great force for good and co-creation. ...here’s a world plan, it’s the best one we’ve got to halve poverty and where is business, and they’re not playing. They’re playing only a marginal role*. The MDGs have little awareness amongst corporate Australia, and traditional NGOs have made little, if any, gains in promoting its framework. Reverend Costello elaborates: *NGOs have a set of skills largely around culture, aid and development. Government have a clear role in achieving the MDGs, the aid, regulatory trade goals, the missing bit is business. Business with its discipline of the market brings a robust set of skills that NGOs just don’t have, NGOs don’t have the discipline of the market*.

Initial attempts by MNCs to undertake commercial operations in developing countries failed to hit their mark. Nike’s “World Shoe” misstep to create an athletic shoe for low income markets to Hindustan Lever’s sachet-packaged soaps, shampoos, and creams. These strategies represented arm’s length attempts to quickly tap into a new market (Prescott &

Nelson, 2003). If a market-based approach to poverty alleviation is to flourish, a strategy of co-invention and business co-creation with economically disadvantaged communities is essential.

Base of the Pyramid (BoP): A business model of co-invention to achieve the MDGs

In support to the UN ‘call-to-action’, a co-venture market-based mechanism has emerged called Base of the Pyramid (BoP). The perspective requires the entry of an exogenous, or external, venture or entrepreneur into the informal economy where economically disadvantaged communities live and operate (London, 2007). The theoretical approach is designed as a co-venturing process to social development (Simanis & Hart, 2008a). The process integrates corporate entrepreneurship leading edge-thinking across the areas of economic anthropology, international development, empathy based design, and environmental management (Simanis & Hart, 2008a). The approach focuses upon addressing the needs of economically disadvantaged communities as opposed to viewing the poor as a consumer market (Landrum, 2007).

At its core, a process of co-invention and co-creation is embedded. The strategy encourages companies to develop close personal business partnerships with economically disadvantaged communities (Simanis & Hart, 2008a). This approach involves intense listening and mutual dialogue with economically disadvantaged communities in order to garner their input in determining what best suits their needs. It is not assumed MNCs know what is needed in this market segment (Landrum, 2007). Mutual value constitutes creating value for all partners at each stage of the process. Co-creation captures the need for companies to work in equal partnership with economically disadvantaged communities. This market-based approach promotes development as defined by the local people and is a business model for social entrepreneurs to craft.

B4MD: A philosophy of Co-creation by BoP Protocol Utilization

In response to MDG 8, B4MD creates partnership forums helping Australian MNCs construct MDG projects in developing countries. Forums facilitate potential partners to discuss ideas in commercial confidence. MDG projects can be premised by utilization of a BoP collaborative effort. Reverend Costello comments: *social development projects (i.e., MDGs) must be co-creative because you have equal stakeholders. For example, you have people from a Western perspective that have an idea that a business model must have a profit outcome. Then, you*

have people from developing countries who hold the view that our sustainability of whatever our business is – lifting ourselves out of poverty – has to make sense culturally if it's going to make sense sustainably.

B4MD understand that developing countries don't see themselves as underprivileged. According to Reverend Costello, the identification of being impoverished is not a part of their self-identity; consequently, a co-creative approach is essential. Reverberating this assertion is Dr Hurditch: *Yes, co-creation is an essential ingredient to MDG projects. If we attempt to transplant, or propose, a Western model for a social development project whereby, for example, farmers undertake the role of produce producer, greater risk would be encountered.* These sentiments exhibit a heightened cognizance acknowledging collaborative efforts can nurture and cultivate social development outcomes. The responses also draw attention to the relevancy of the MDGs. The blueprint stresses collaboration as expressed in goal eight; hence, the goals can serve as an overarching framework aimed at facilitating MNCs to respond to the UN call-to-action.

The co-venturing process of the MDGs and a BoP approach can present obstacles for business however. MNCs already have their own social initiatives in place. Corporate social responsibility is indicative of a MNC's social initiative, presenting challenges for B4MD. Mr Isa confirms: *when B4MD approached Australian MNCs, they were talking about corporate social responsibility engagement and preferring to donate a specific amount of money and then withdrawing themselves to our initiatives.*

Corporate Social Responsibility, B4MD and the MDGs

With significant human need remaining unsatisfied implies the existence of noteworthy hurdles for established organizations to recognize these needs as potential markets (Seelos & Mair, 2004). Corporate social responsibility (CSR) remains vague, stretching managerial ability to integrate societal sustainable development with corporate capabilities (Seelos & Mair, 2004; Smith, 2003). Reverend Costello echoes these sentiments questioning: *if you look at human rights or CSR, are they achieving the MDGs?* The seemingly unclear contribution of CSR to society has posed difficulties for market-based mechanisms to help mitigate poverty and progress the MDGs. B4MD, established by business-for-business, meet such barriers from Australian commerce. Dr Hurditch comments: *B4MD was seen as another organization, or association, by business. There has been a proliferation of associations that*

may not be in this particular space (BoP), but are in other areas such as aid organizations, or NGOs. Being able to draw upon a distinction has been a challenge for B4MD. Consequently, the willingness of MNCs to participate with B4MD proved difficult when they were already contributing in other forms like CSR.

Expanding upon Dr Hurditch's comments, Masud Isa communicates how MNCs are conditioned to overlook how their core business can assist removing the cycle of poverty: *When Mohammed Yunus talks about the business call-to-action, that is getting the businesses core competencies involved in social business, he talks about MNCs, or core competencies, not expecting any profit out of a social business venture. This naturally frightens MNCs when these MNCs are more comfortable in CSR.* Mr Isa's thoughts demonstrate how CSR can obstruct the development of MDG 8, and avert the necessary innovative partnerships between Australian MNCs and economically disadvantaged communities. Agility Logistics Australia CEO, Mr Mick Turnbull, affirms Mr Isa's commentary illustrating how the company's CSR program curtails its delivery of sustainable social development outcomes. *There are a couple of issues regarding BoP engagement. ...Companies need to satisfy stakeholders- shareholders - as to the value as to why they would do something like this. For companies, it would be a lot easier to satisfy the CSR question by simply providing a donation. This can easily be identified, they can easily publish that contribution into a report, and it doesn't take a lot of time and energy to do that. The issues with the B4MD projects is it requires MNCs to really commit and go beyond writing a cheque, and turning up to a function. It requires MNCs to put their resources into it, and the financial returns are minor.*

Constructing a BoP venture to largely achieve and progresses the MDGs, whilst establishing a foundation for long term corporate growth and innovation, requires leading-edge commercial approaches. *CSR does not remove and destroy the disease of poverty because it does not sustainably remove the pain of disease as Mr Isa imparts.* The role of social entrepreneurs has increasingly emerged to counter the CSR conundrum. The role of "deliverer" of MDG attainment and progression is well suited for this entrepreneurial genus.

Social Entrepreneurship: Its importance to achieving the MDGs

Social entrepreneurship provides fascinating new insights, expanding the thinking and toolkits of traditional entrepreneurs, enriching designs for socially acceptable and sustainable business strategies and organizational forms (Seelos & Mair, 2004). Unearthing novel

solutions to a multitude of human and social problems is required. Social entrepreneurs discover innovative service models catering to basic human needs that remain unsatisfied by governments and markets (Seelos et al., 2005). According to Reverend Costello, social entrepreneurship is *where you understand that the fabric of community, of society, is fundamental for any ongoing prosperity; therefore, it must be nourished and cared for. So, you're prepared not to just give back, but also to do business in a way that strengthens community and their social fabric, and social entrepreneurship understands that that's fundamental to sustainability.*

As previously noted, the UN confirmed that the world had reached the poverty reduction target five years ahead of schedule (United Nation, 2013). However, human poverty still remains prevalent in selected parts of the world (United Nations Development Programme, 2013). It is estimated that by 2015 the global poverty rate will fall below fifteen per cent, well under the 23 per cent target. This global trend; however, mainly reflects rapid growth in Eastern Asia, especially China (United Nations, 2011). Surrounding the Australian continent lays several underprivileged country regions such as East and South Asia. PNG is Australia's closest marginalized neighbor, and the developing country faces critical constraints to development. The country sustains some of the worst health and education outcomes in the Asia-Pacific region, driven by high levels of poverty often living in remote locations (AusAID, 2011).

A Social Entrepreneurship Venture: the B4MD MDG Project in Papua New Guinea

In 2010, B4MD pioneered a MDG BoP project titled Highlands Fresh Produce or HFP. The MDGs are the overarching framework administering guidance for B4MD to implement a BoP approach. As indicated earlier, B4MD (2009) suggest: *the MDGs are the best plan we've ever had.* The social venture is based in the Southern Highlands province in Papua New Guinea (PNG), which successfully fulfills the MDG 8 criterion – development of a global partnership for development.

PNG is committed to the MDGs (Papua New Guinea Government, 2010). The government adopts a pro-poor growth strategy utilizing a Medium Term Development Plan. The first of four rolling Medium Term Development Plan's, the covering period is from 2011 to 2015 (Papua New Guinea Government, 2010). This plan implements the nation's existing Development strategic Plan - 2010 to 2030, which involves setting strategies and targets for

the nation's ensuing 20 years. The proposed MDG targets and indicators for PNG's health sector are integrated into the sector framework from within the plan (Papua New Guinea Government, 2010). While the MDGs timeframe is longer than the period of the Medium Term Development Plan 2011 to 2015, the goals and objectives are consistent. The government has prepared targets for the MDGs that are specific for PNG reflecting the nation's current stage of development (Papua New Guinea Government, 2010).

PNG appears to be unable to achieve any social development goals. PNG social indicators lie below those of other countries with similar income per capita levels (Asian Development Bank, 2010). The country is not expected to meet any of the MDGs by 2015. Child and maternal mortality and the HIV/AIDS prevalence rates remains worryingly high, school enrolment rates are also relatively low, and measures to tackle pervasive gender inequality are inadequate (Asian Development Bank, 2010). Mr Ingram confirms PNG's MDG plight by explaining that *right now, the UN reports that it is very unlikely that PNG will achieve any of the eight MDGs by 2015, and is tracking poorly on child mortality and maternal health.* B4MD believes it is in Australia's interest to assist the PNG government to achieve the nation's social development obligations. As Reverend Costello explains *I think everyone knows that the whole enterprise of lifting people out of poverty and pain in PNG is struggling, its one nation far behind achieving the MDGs. PNG is the closest neighbor to Australia, subsequently, we have to have a different approach. It's in our national interest, and business interest to get this right, and that's why I believe companies are interested.*

Social Entrepreneurship Triggering International Social Business Enterprises

Social entrepreneurs can differentiate themselves to garner legitimacy, funding, and resources to sustain their social ventures. The scarcity of resources and traditional welfare providers define their social ventures towards relative accessible opportunities (Zahra et al., 2008). According to Cornwall (1998), attempts have been made to develop community models of social entrepreneurship which uplifts the living conditions of economically disadvantaged communities. More notably, Wallace (1999) puts forward that social entrepreneurship can improve the standard of living of economically disadvantaged communities by creating social purpose enterprises. These socially purposed enterprises can operate like other commercial establishments however profits are returned to a social organization. Furthermore, socially purpose enterprises can focus on the creation of economic wealth and jobs targeted at the

physically, mentally, economically and educationally challenged groups found on the economic margins of society (Boschee, 1995).

In the context of international social ventures, ‘accessibility’ can reduce the liability of foreignness and newness; therefore, mitigating the need for legitimate building activities (Zahra et al., 2008). Accessibility induces the formation of different social ventures; a process of collaboration is identified addressing the issues of social development concern. These collaborative activities expedite internationalization, enhancing their legitimacy and ensuring survival and mission accomplishment (Zahra et al., 2008). Following the internalization theory, social ventures are likely to internationalize when social entrepreneurs acquire particular capabilities to set up a social purpose enterprise. These capabilities are deployed to serve unique social needs like the MDGs. Therefore, internationalization facilitates the efficient and timely transfer of these capabilities, exercised to meet the needs of affected individuals and groups in other countries (Zahra et al., 2008).

Bull (2008) proposes capturing a distant image of what constitutes a social enterprise is difficult to achieve, as there is no single legal structure or business format that encapsulates the term. Dees (1998) suggests that because of the complex structures of third-sector organizations, generalizations of what defines a social enterprise is essentially problematic and ultimately affects our understanding of the sector. In accordance with the MDGs, acting as an overarching framework for social development outcomes, this thesis introduces a Social Business Enterprise (SBE) construct. Development of SBE is aimed at addressing BoP concerns (i.e. Nielsen & Samia, 2008) by providing guidance concerning how NGOs and businesses can collaboratively progress the poverty MDG by identification and application of key theoretical constructs. SBE is defined as a social purpose enterprise that addresses a developing country’s real gross domestic product per capita through job creation, pursuant to advancing and achieving the poverty MDG and others, by way of BoP implementation and adaptation.

Social Business Enterprise (SBE) Construct

In accordance with Mort et al. (2003), SBE is envisaged as a multidimensional construct encompassing Social Entrepreneurship Orientation (SEO) and Learning Orientation (LO). Mort et al. (2003) approach social entrepreneurship within the sustainable competitive advantage (SCA) framework of an organization. This capability model posits that a firm’s

strategic leadership can build and nurture distinct capabilities to gain SCA. Additionally, a learning orientation approach is incorporated to capability building and the delivery of social value and sustained competitive advantage. Therefore, this thesis accepts the Mort et al. (2003) social entrepreneurship definition which incorporates six main dimensions: the expression of entrepreneurial virtuous behavior to achieve a social mission; a balanced judgment capacity of purpose and action in the face of moral complexity; the ability to recognize social value creating opportunities; and the key decision-making characteristics of Entrepreneurial Orientation (EO) - risk-taking; proactiveness; and innovativeness (Lumpkin & Dess, 1996). Learning Orientation encompasses Commitment to Learning; Shared Vision; and Open Mindedness (Sinkula et al., 1997). In addition to, on the basis of present interview material, four additional Market Entry Enablers (MEE) attributes emerged assisting in the formation of an SBE multidimensional construct (Figure 5.1, p. 125): Communication; Empowerment; Strategic Flexibility and Strategic Bridging.

Figure 5.1 shows the relationships between and provides an understanding of Market Entry Enablers (MEE), SEO, LO, and Social Business Enterprises (SBE). These elements make up the ingredients of the SBE construct. As noted earlier, interview data relating to research notes and secondary information were examined to identify patterns/themes through a thematic analysis (Creswell, 2008). Respectively, the SBE and MEE constructs were derived from existing literature and interview data.

Market Entry Enabler (MEE)

Communication

Communication denotes a capability to successfully negotiate with multiple stakeholders of apparent polarity. B4MD's dialogue capability to engage with a triad of BoP poverty MDG stakeholders - economically disadvantaged communities, governments, and Australian MNCs - is a competence unique to the NGO. Mr Isa explains B4MD's capability to undertake preliminary discussions with PNG's national government. The channel of communication nurtured the introduction of a BoP venture: *One of B4MD's facilitators from Oil Search Ltd (OSL) has an excellent relationship with the PNG government. So, through Oil Search, B4MD did interact in the government areas of Department of Agriculture, and PNG's Sustainable Development Programme department. The PNG government is very slow in terms of their preparedness to engage and to make decisions. However, we did manage to*

orchestrate discussions with the provincial government in the Southern Highlands, to whom have provided their full support.

As previously alluded, initial attempts by MNCs Nike and Hindustan Lever failed to hit their mark. Their strategies were indicative of arm's length attempts to speedily tap into a new market (Prescott & Nelson, 2003). Dr Evans highlights the organization's neutrality when establishing dialogue with Australian MNCs: *B4MD has the ability to broker consortia (consortium of Australian MNCs), which have the ability, capability and skill set to establish a social project (i.e., MDG projects). Now, whilst accomplishing this, B4MD will also be an advocate for the local community because it's able to gain the respect of the local community where MNCs would struggle with this component.*

Following MNC discussions, Mr Ingram exemplifies B4MD's aptitude to foster necessary relationships with the Southern Highlands economically disadvantaged communities. The NGO's CEO highlights the importance of "going there" in order to comprehensively comprehend the voice of economically disadvantaged communities: *We started our activities by having a delegation of companies sit around the table with farmers, most of whom were women. We asked, and advised, the women farmers that B4MD is not a charity and that we are business people; subsequently, what would you like to do if you were to undertake business with us? B4MD then sat back and listened to them discuss.* Mr Ingram claims invaluable learning's can be gleaned from economically disadvantaged communities that can facilitate a BoP poverty MDG venture. Such learning's acted as the foundation to B4MD's HFP business plan. Table 5.1 provides definition of Communication with Stakeholders theoretical element.

Table 5.1 - Definition of Communication

Theoretical Element	Definition
Communication	Communication signifies the capability to successfully negotiate with multiple stakeholders of apparent polarity (e.g., economically disadvantaged communities, governments, and Australian MNCs). This definition emerges from the present interview material.

A supply chain of value was strongly voiced by the women farmers in the Southern Highlands province of PNG. Consequently, B4MD was able to fulfill the women farmer's needs of market coordination, establishing a market, and servicing beyond their local markets. By acquiring local knowledge of the women farmers, B4MD is positioned to empower Australian MNCs to willingly embark upon a BoP poverty MDG venture.

Empowerment

Empowerment denotes when MNCs realize a sense of self-empowerment when prepared to willingly engaging with economically disadvantaged communities in social development ventures, which are aimed at MDG advancement. Engagement symbolizes investing one's knowledge and skills which is intrinsic to a social venture. Building upon the organization's capability to effectively communicate, B4MD inspires Australian MNCs to achieve MDG outcomes in collaboration with economically disadvantaged communities. Mr Isa illustrates: *B4MD follows a model where the ultimate objective is to achieve either one or more of the MDGs such as targeting women and children, getting women as part of the economic value chain, which generates sustainable development through an empowerment process. Now, that process of empowerment means not just the poor, but also building the confidence of MNCs to work with the poor through education.* As formerly stated, B4MD combats perceived economic and social inequality through bottom-up approaches. Bottom-up development is a key component of the BoP mantra for success (London & Hart, 2004). Dr Evans illustrates the importance of embedding economically disadvantaged communities within a social venture framework: *From a board perspective of B4MD, access to economic opportunity, with a framework that is well constructed, ensures that they (women farmers) have strong control over the project and therefore receive access to economic rewards. The social aspect may be something different, but it is important to embed the role of the poor into a conceptual legal framework. ... Women farmers can be engaged leading to productive economic activity around which they have significant control and influence over.* B4MD also empowers Australian MNCs to recognize their opportunity to achieve and advance MDG outcomes in the form of leverage. Agility Logistics Australia CEO, Mr Turnbull explains: *I feel far more comfortable with dealing with B4MD rather than endeavoring to deal with community issues in our own right. If we try to empower the poor in our own right, without the experience, knowledge base, and framework that B4MD has, then I believe that as a company we would really struggle. But, by collaborating with B4MD, which enables us to also leverage off the other MNC partners, this provides comfort in knowing we are progressing positively.*

B4MD state MNC empowerment, characterized by MNCs leveraging upon each other's core business skill into delivering MDG outcomes, is confronted with trepidation from companies themselves. Mr Turnball affirms: *A large number of MNCs have their own community relation areas within their businesses; so, they already have their own way of dealing with those communities, which, really is not about empowering local social entrepreneurs to discover ways to producing their own income.* The process of Empowerment is a crucial component to successful BoP approaches. Table 5.2 provides definition of the Empowerment theoretical element. Through Empowerment, innovation can prevail leading to enriching flexible designs for socially acceptable and sustainable business strategies. B4MD believe strategic flexibility is key to a BoP poverty MDG venture due to a developing country's market entry mode potentially differing to other developing countries.

Table 5.2 - Definition of Empowerment

Theoretical Element	Definition
Empowerment	When MNCs realize a sense of self-empowerment when prepared to willingly engage with economically disadvantaged communities in a sustainably social development venture. This definition emerges from the present interview material.

Strategic Flexibility

Strategic Flexibility is characterized as favoring an assortment of market entry modes and operational approaches to facilitate BoP poverty MDG venture adaptation. Once a firm decides to enter a foreign market, the mode of entry must be examined. In international business literature, entry modes have been regarded as closely associated with varying degrees of resource commitment, risk exposure, control, and profit return (Pan & Tse, 2000).

B4MD consider being physically implanted in a developing country is not invariably warranted. The HFP enterprise is rooted in the Southern Highlands province of PNG. This strategic approach was considered appropriate for this type of BoP poverty MDG venture. Dr Hurditch explains: *I don't believe it's always essential (being embedded) because one could start from scratch without doing PNG (HFP) but I think it provides enormous learning opportunities. When another project is embarked upon, it will be undertaken more*

expeditiously than PNG because we learnt how to do it and what the pitfalls are. For example, we would undertake an early scan of the potential business opportunities before entering a country with our participants. This will allow us to move quickly in the design whilst there, as opposed to spending a lot of early time tossing up ideas, a lot of time can be saved here. An Australia consortium entering PNG denotes foreign direct investment, responding to and achieving MDG 8. Such a consortium of Australian MNCs meets with the characterization of a *joint venture* (Erramilli, 1992).

Echoing these comments are observations brought forward by Mr McKeon: *I don't really know if being only socially embedded is best for undertaking a commercial venture in a developing country, it is horses for courses really. There is no need to be imbedded all the time. An agent sourcing from abroad is also imbedded as long as, the process is undertaken in an appropriate way. B4MD has the necessary commercial understanding to deploy a variety of commercial strategies that responds to environmental demands of a developing nation.* The component of flexibility is considered an essential ingredient to enhance the prospects of any BoP poverty MDG venture. Table 5.3 provides definition of the Strategic Flexibility theoretical element.

To encourage Australian MNCs to work collaboratively with economically disadvantaged communities, operational flexibility is additionally necessary. The HFP project adopts a bottom-up approach, as revealed in the Empowerment behavioral characteristic, ensuring the MDGs remain paramount.

Table 5.3 - Definition of Strategic Flexibility

Theoretical Element	Definition
Strategic Flexibility	Strategic Flexibility is characterized as favoring an assortment of market entry modes and operational approaches to facilitate BoP poverty MDG venture adaptation. This definition emerges from the present interview material.

This calculated operational approach bodes well for MDG attainment. Dr Evans explains: *B4MD doesn't have a particular ideology represented by one business model, it prefers flexibility. But, there is a non-negotiable part whereby one, or more, of the UN MDGs must*

be inherently embedded and must be demonstrated to be progressed for a potential project to remain of interest to B4MD. Operational approaches lend itself to address potential development problems that can arise from questionable bottom-up processes between MNCs and economically disadvantaged communities. Resource and expertise problems can be problematic and require the need of a third party to restore balance in the form of Strategic Bridging.

Strategic Bridging

Strategic Bridging is characterized by the presence of a third party as a stakeholder, which is separate and distinct from the “island” organization it seeks to link (Sharma, Vredenburg, & Westley, 1994). Unlike mediators, bridges enter collaborative negotiations to further their own ends as well as to serve as links among domain stakeholders. Bridges can be driven by motivational factors which are either self-serving or altruistic (Westley & Vredenburg, 1991). Of significant difference between Strategic Bridging and other collaborative variations is the need for bridges to acquire “back-home” commitment from its constituents. Bridges remain at all times an independent entity with its own agenda (Westley & Vredenburg, 1991).

B4MD pipelines the core skill of all stakeholders required for a BoP poverty MDG venture. By acting as the infrastructure for dialogue, the NGO is equipped to nurture and harness each triad stakeholder core skill to mold a BoP poverty MDG venture. Reverend Costello notes: *it's really a role of (B4MD) connecting and being a convening player for business and for poor communities.* In relation to assembling an Australian consortia of companies, aimed to deliver MDG outcomes by way of a BoP approach, is visionary and pioneering. However, the reasons of Australian MNCs to participate in a consortium may not be universal as Dr Evans enunciates: *when you look at the consortium B4MD has brokered for the HFP project, there is a good chance of each of those Australian MNCs have their own differing reasons as to why they agreed to be involved as part of consortia (consortium of Australian MNCs) that B4MD brokered.* The ability to harness and exploit the varying motives of MNCs accidence requires a unique capability not specific to traditional NGOs and international development organizations. Consortium design is ground-breaking and revolutionary to MDG attainment, an innovation derived from social entrepreneurship.

Harnessing latent skills of the Southern Highlands women farmers and Australian MNCs presents challenges. Diplomacy skills are foremost required to abate stakeholder concern

during dialogue. Dr Hurditch provides commentary highlighting the importance of undertaking a conduit role to facilitate successful discourse outcomes. *When issues arose, we reacted by bringing people together and discussing those issues and then identifying where the respective parties were coming from, we acted as a conduit. For example, the MNCs have a fairly narrow profit motive and we need to nuance that, to some extent, to explain that it may not be immediate profit to participative MNCs. On the other side, the Southern Highlands communities had concerns with company profit motives.* With the role of intermediary, or conduit, successfully fostering dialogue outcomes, social commercial opportunities are in a position to be catalyzed. As Mr McKeon asserts: *what B4MD does, and does well, is just provide a further catalyst to make the process of identifying social commercial opportunities work even better.* Table 5.4 provides definition of Strategic Bridging theoretical element.

With MEE elements of Communication; Empowerment; Strategic Flexibility and Strategic Bridging emerging as key components towards the formation of Social Business Enterprise (SBE), from here on in, the Mort et al. (2003) social entrepreneurship conceptualization is appraised. The author's social entrepreneurship elements are: Social Opportunity Recognition; Entrepreneurially Virtuous; Judgment Capacity; and the key decision-making characteristics of Entrepreneurial Orientation (EO) - risk-taking; proactiveness; and innovativeness.

Table 5.4 - Definition of Strategic Bridging

Theoretical Element	Definition
Strategic Bridging	The presence of a third party as a stakeholder, which is separate and distinct from the "island" organization it seeks to link. Unlike mediators, bridges enter collaborative negotiations to further their own ends as well as to serve as links among domain stakeholders. This definition is reflected in Westley and Vredenburg (1991).

Accordingly, it is proposed that upon assessment of BM4D interview material, the theoretical elements of Communication, Empowerment, Strategic Flexibility, and Strategic Bridging, which culminate into MEE, are required for a foreign organization to enter a developing

country. The first theoretical element contributing to the development of a BoP poverty MDG conceptual model of Social Business Enterprise, it is propositioned that:

P1: Market Entry Enablers (MEE) is associated positively to Social Business Enterprise (SBE).

Social Entrepreneurship Orientation (SEO)

Social Opportunity Recognition

B4MD, as a social enterprise, seeks market opportunities enabling them to create social value. Dr Hurditch states B4MD is able to identify social commercial opportunities better than an entrepreneurial company: *The reason why B4MD can identify social opportunities is due its mindset. The mind set of wanting to contribute to the social well-being to a recipient community as opposed to a narrower commercial objective of entrepreneurial companies.* Reverend Costello additionally elaborates: *I'm not sure if B4MD identifies social opportunities better than entrepreneurial companies, it's more a frame of mind.*

Having acquired a mindset for delivering social value to economically disadvantaged communities, B4MD also recognizes women farmers are integral to successful outcomes of MDG projects. According to Reverend Costello, B4MD entrusts in women because: *traditionally, women are the hard workers and in many developing countries women are doing the gardening. They ensure their value-profit, they get, really goes back to their children. So, wherever possible, it's about empowering women, giving them opportunity, and giving them skills.* B4MD's focus upon women is underpinned by the UN MDG 3: *to improve gender equality and empower women* (United Nations, 2000). B4MD does not solely focus upon women but recognizes women as critical participants to achieving the MDGs.

Entrepreneurially Virtuous

With B4MD uniquely being a NGO designed by business-for-business ensures social value is created. The organization has an innate belief that all people contribute meaningfully as exemplified by Reverend Costello's earlier statement: *social development projects must be co-creative because you have equal stakeholders.* By coordinating the involvement of economically disadvantaged communities, and MNCs, B4MD ensures social value is sustainably created. As Dr Hurditch explains, by initiating relationships with farmers B4MD can identify: *what their needs of the poor are, what their motivations are, and how a social*

business can bring tools and assistance to farmers which ultimately enables them to not being poor. Relationships with MNCs are equally as important as with economically disadvantaged communities. As Reverend Costello states: B4MD says, yes, there is a profit to be made by MNCs, but what we can also do is achieve the MDGs. Furthermore, we can also, by some adjustment in how we do businesses here, have a social purpose, not just a profit purpose.

B4MD's driving passion to alleviate poverty and progress other MDGs is exemplified by the organization's practical innovative approach. The NGO recognizes economically disadvantaged communities have latent and unutilized skills, essential to achieving social development outcomes. Mr Ingram elaborates: *The poor, globally, are not sitting in their homes and fields waiting for charities and foreign aid. Rather, they're asking, where is employment? Where is a way out where buy I can utilize my skills and talents to deliver economic opportunity?* B4MD delivers social value by averting imposition upon economically disadvantaged communities. The NGO favors letting loose women farmers' suppressed potential to become economically productive. All BoP project concepts are with reference to unleashing the poor's latent skills for the reason that economically disadvantaged communities are immensely talented and innovative.

Judgment Capacity

To encourage a coherent unity of purpose and action in the face of complexity, B4MD reacts by bringing people together, as a conduit, to discuss issues and identify mutually beneficial outcomes. Dr Hurditch explains: *MNCs have a fairly narrow profit motive and we need to nuance that, to some extent, to explain that it may not be immediate profit to participative MNCs.* According to Reverend Costello; however, complexity is overcome by honoring the history of economically disadvantaged communities: *The very nature of World Vision Australia's work is always right in this zone. Design has to be with indigenous farmers because we can't live their lives for them. MNCs have a set of expectations and best practice upon what they want to achieve, and those expectations are often at odds with indigenous farmers design.* Reverend Costello continues to articulate that uncertainty can manifest from occasional pre-modern versus modern, or, sometimes post-modern world views as to what is truly being achieved. For indigenous farmers, it is not simply "productivity" and how much cash we get, it is also about honoring traditions, cultures, and a whole range of things that means design has to be lateral, and creative in the way it negotiates those.

Mr Isa explicates how B4MD can support Australian MNCs to combat market complexity in alien developing countries: *Already, MNCs are operating in developing countries with the concept of 100 percent profit. In regions of other developing nations, MNCs do not and will operate in. They won't operate in those regions because MNCs consider those regions as not belonging to their market. So what B4MD can do is assist those MNCs to operate in those alien markets but operate at a small commercial return, not at a normal commercial rate of return. Hence, B4MD facilitates this process, it acts as a conduit.*

Risk Taking

B4MD presents a radical paradigm shift to the current thinking of the Australian business community, according to their Chief Executive Officer, Mark Ingram. The paradigm prompts a change of thinking regarding the motives and objectives of aid. *Where there were once donations, now there are investments. Very few companies have ever considered doing business with the poor. In today's climate, the prevailing perception is it is too risky to undertake business with the poor, not an opportunity. When we explain that we are not asking for a cheque, rather an investment centered on their core business, companies generally warm to the idea.*

Agility Logistics Australia Chief Executive Officer and Managing Director, Mr Mick Turnball, explains the MNC's concerns with partnering with B4MD and the organization's objectives: *B4MD is an unproven model, it's very new on the scene, there's risk, and any MNC board will need to be satisfied that it's going to have the longevity to work with. Mr Turnball also highlights the company's apprehensions with B4MD's approaches to MDG outcomes: We (Agility) had concerns with this project (HFP) because it is a unique project. Also, dealing with land-owners and indigenous farmers also brings inherent risk to the project. So I think going into it, seeing that Agility was already a participant member of B4MD, we were prepared for this inherent risk. Assembling an Australian consortia of companies to deliver MDG outcomes, in collaboration with economically disadvantaged communities, is confronting for MNCs as Mr McKeon states: Australian MNCs are extremely cautious and just can't get their minds around BoP collaborative approaches.*

The issue of convincing Australian MNCs to agree to invest their core businesses with economically disadvantaged communities is manifested in several scenarios. Dr Hurditch comments: *MNC profit expectation of the units of vales and the units of capacity to pay in*

developing markets is low. Unit expenditure for MNC goods would have to be a lot lower for poor communities; hence, this is difficult for MNCs to embrace. Mr Turnbull confirms this concern enunciating: *the time and energy required to put the resources into supporting B4MD's objectives is concerning for the company.* Moreover, and more importantly, is the risk perception of exploitation by MNCs. The motive perception of the company, held by the public, is another issue for MNCs. Dr Hurditch highlights the potential plight of negative public relations stating that: *companies don't want to be recognized as just interested in making money or doing business at the expense of the poor.* Mr Turnbull confirms this concern by stating: *MNCs want to be recognized for working in MDG BoP projects. MNCs want to be recognized as good corporate citizens.* Consequently, MNC motivation objectives must be made transparently clear. To avoid such risks, B4MD's business model helps MNCs stave-off such potential negative public perception. Reverend Costello explains: *If MNCs agree to participate in MDG projects; then, be explicit, put it into your design, and be upfront about why you are doing this.* This philosophy is incorporated within B4MD BoP models.

Australian MNCs predominately undertake commercial operations within their present core line of operations. BM4D promotes Australian MNCs to expand their operations in developing country markets; however, this promotion encounters insurmountable concern from most MNCs. Reverend Costello comments: *We (Australia) are in the region where most of the poor live (Asia), which is far away from Africa and Europe. We are offering the opportunity to do; say, for those companies that entered China 25 plus years ago, when there wasn't any transparency of title and high risk, are now smart. The BoP (developing countries) have a couple of billion people whom are poor but are rich collectively. B4MD is saying get in now, do it now, build credit and reputation now in developing nations.*

Proactiveness

B4MD is a social opportunity seeking, forward-looking NGO. As intimated earlier, the organization pioneered the first Australian consortium to assist developing countries attain and progress the MDGs. Pioneering involves *B4MD delivering experience, learning, and frank business lessons to Australian MNCs* as stated by Reverend Costello. B4MD is also the first NGO to establish an Australian consortium designed under a MDG framework. Dr Evans enunciates: *please bear in mind; Australian MNCs had never come together before to create a consortium.To gather so many different corporate entities, each with different*

goals but wanting to be a part of a broader coalition, was assembled by B4MD. ...Oil Search Ltd (OSL) would not have been able to orchestrate this like B4MD has assembled, considering each MNC has different business goals commercially. Equally as important however, B4MD will remain an advocate for the local community. The NGO has secured the respect of the local community in the Southern Highlands province in PNG, *an achievement where MNCs would struggle with this component* as affirmed by Dr Evans.

Teaching Australian MNCs in delivering MDG outcomes, by BoP approach, is groundbreaking. Mr Isa explains: *charities and foundations have always dominated this sector of helping economically disadvantaged communities. So, of course, in emergencies, these programs are very helpful. But, in places where communities can be engaged and participate with MNCs, then, this approach is possibly a better option. Even the United Nations has struggled in establishing such a platform; MNCs and economically disadvantaged communities working together.* Additionally, Dr Evans declares: *there is no precedence for this (HFP) ...we are breaking new ground here, there is no prescribed rule book that we, B4MD, can refer to. Innovation is the recipient to proactive accomplishments. Proactiveness in decision making; being alert to opportunities seeking high social value-enhancing activities is symbolic to such accomplishments.*

Innovativeness

B4MD introduces a new paradigm of business and trade to proliferate MDG awareness and attainment. The novelty of a BoP approach is attributed to the organization's willingness to support creativity and experimentation, realized by harnessing new market mechanisms for social development. Market mechanisms signify co-creation by business cross-sector partnerships engaging with economically disadvantaged communities. Dr Hurditch explains: *the model (of co-creation) is innovative and it's taken a while for MNCs to become comfortable with. However, as this is a first step in identifying growth and opportunities in a direct economic and wider social business, it will pay large dividends for participative MNCs and probably give them a market edge compared with other non-participative companies within their respective sectors.*

In comparison with traditional NGOs, B4MD's co-creative approach was instrumental in ensuring the organization was unique, clever and different. Mr Ingram explains: *When we (B4MD) initially commenced, we started with the usual spiel that this is all about being a*

good corporate citizen, it's about your employer of choice, it's about staff retention, attracting the right people, leaving a positive legacy, all of those soft metrics which can be applied to philanthropy, charity or CSR. However, this did not make B4MD different from the pack ...The drivers, or benefits, we suggest are expansion of business activity, generation of innovation because to deliver a BoP solution, in either procurement or supply, one must be very clever.

B4MD encourages Australian MNCs to explore markets outside of their current line of operations. This paradigm of venturing into developing country markets can be a source of benefit to Australian MNCs. B4MD's philosophy of co-creation can culminate in greater beneficial gains to Australian MNCs as opposed to the prospect of venturing and operating alone in developing countries. Dr Hurditch elaborates: *Yes and no, but it depends on the time frame. In the short term, perhaps not, due to the long lead time and the potentiality of some business transactions for quick economic gains by conventional means. Nevertheless, the approach builds economic resilience so in the longer term MNCs will have a better prospect of acquiring repeat business in those countries.*

By assisting MNCs to venture into developing country markets once more distinguishes B4MD. To combat the perceived economic and social challenges intrinsically linked to developing countries, BM4D adopts a bottom-up approach. This process denotes that economically disadvantaged communities are intensely involved in value chain activities leading to a self-empowerment process. Mr Ingram advises: *I have spoken with PNG ministers whom have mentioned we need our economic growth to be inclusive; it needs to be from the grass roots up and not a top down approach in the hope the benefits will trickle down to the grass roots. It is important for both parties; in that the government increases its revenues enabling services improves. Moreover, it is also vital for PNG poor.* Mr Ingram claims about 90 percent in PNG are rural. Through the HFP project, the women farmers now acquire the means to empower themselves, and to find a way out of poverty, those means are achieved through agricultural production and learning.

In this light, it is proposed that the development of a network of six main dimensions proposed by Mort et al. (2003): the entrepreneurial virtuous behavior to achieve a social mission; a balanced judgment capacity of purpose and action in the face of moral complexity; the ability to recognize social value creating opportunities; and the key decision-making

characteristics of Entrepreneurial Orientation (EO) - risk-taking; proactiveness; and innovativeness (Lumpkin & Dess, 1996), is applicable in the development of a BoP poverty MDG project. Consequently, it is propositioned that:

P2: Social Entrepreneurship Orientation (SEO) is associated positively to Social Business Enterprise (SBE).

Learning Orientation (LO)

In addition to EO, the value of Learning Orientation - Commitment to Learning; Shared Vision and Open Mindedness - are investigated. Learning is identified as a key factor to B4MD's approach in delivering BoP poverty MDG outcomes in PNG's Southern Highlands province. These three learning elements appear to be critical components in forming a SBE construct.

Commitment to Learning

B4MD heralds collaborative approaches in delivering MDG outcomes. Collaborative knowledge benefits all stakeholders. Dr Hurditch illustrates how the PNG Southern Highlands women farmers can learn through MNCs when privy. *The poor in the Southern Highlands region of PNG are now able to access methodologies, equipment and systems from participating Australian MNCs such as Goodman Fielder, Visy Board, and Agility Logistics. This now enables them to learn, even in small ways, about application technology whereby previously they wouldn't have been able to learn.*

BoP collaborative approaches are new to Australian MNCs as Mr Isa affirms: *A B4MD BoP project is a new concept and MNCs have never entertained the notion of partnering with the poor. Now, by partnering with the poor, MNCs still don't acquire the understanding, or concept, or the structure of engagement.* Collaborative approaches involving Australian MNCs requires an ongoing commitment to discover novel commercial methodologies in the proliferation of BoP poverty MDG projects as Reverend Costello advises: *MNCs don't disagree with this (BoP collaborative approaches), we are still trying to work out what's required of us legally, what the extent of our ethical duties are, what's our social duties, and we still haven't got clarity round those. So, show us a few models, come back and show us how you did.* Expanding upon these sentiments is Mr McKeon: *It's really still a work in progress. There are some Australian MNCs that do understand what the BoP is about, and*

are relaxed about it, and treat it (developing markets) like another market. There are other MNCs that are extremely cautious and just can't get their minds around it at all. Mr Turnball, as a B4MD board executive, mirrors the expressed views above by illustrating the organization's commitment to learn: I'm not sure if commercial strategies had been learnt. I think B4MD had already acquired a clear strategic framework, to which has been implemented in the HFP project. Whilst still in the early stages, we will continue to learn upon what we wanted to achieve right from the outset of the project.

Emerging from interview material proving pivotal in orchestrating a BoP poverty MDG initiative is the concept of education. Educating Australian MNCs upon embarking upon such pioneering and innovative ventures is indicative to the NGOs commitment to learning. Dr Hurditch explains: *B4MD have really encouraged and taught Australian MNCs as to where a project (BoP poverty MDG) should be anchored. Individuals within MNCs are passionate about social development projects, board executives have not made a decision to participate just yet.*

B4MD educates Australian MNCs and governments. When asked “what benefits can B4MD deliver to Australian MNCs in a collaborative working relationship in developing countries?” Mr McKeon advised: *Many. Since B4MD is the hub of activity within this space, we know who is active – MNCs, NGOs, governments – so, if there is a need for a particular skill, the chances are B4MD will know. Over time, B4MD will acquire a better appreciation for the risks involved – what works, what doesn't. Also, a body of knowledge will be acquired over time for what works and what doesn't. In summarizing, whilst B4MD thinks this is important stuff, and that companies ought to be doing it, we also acknowledge that this type of work is perceived as different, difficult and hard, and that they (MNCs) don't have the expertise. But really, B4MD is the only serious Australian organization that is in this space and that is available to produce a realistic plan for MNCs and the like.*

Educating fosters the necessary nurturing to enable MNCs to gear themselves for MDG outcomes. As Mr Isa explains: *MNCs mindset is cemented in dividend returns, increase owner's asset, and increase in profits, this is their motivation and they are trained in that mindset. So, really, it's not their fault because it's the way they have been taught. B4MD creates a different canvass and can assist Australian MNCs to operate in alien markets. A*

shared vision of objectives is crucial however to ensure positives outcomes for participating stakeholders.

Shared Vision

B4MD ensures social development remains the organization's primary objective as well as participating Australian MNCs. Dr Evans explains: *social development remains B4MD's primary objective as we have built it into our constitution.* Moreover, Dr Hurditch advises: *We (B4MD) also continue to emphasize our social objectives at board level meetings right through to the organization's management team.* Heralding this shared vision is Agility Logistics Australia CEO, Mr Turnbull. Responding to how B4MD ensures social development remains a primary objective when dealing with Australian MNCs, Mr Turnbull replied: *This is an excellent question. What B4MD have been able to do three years into the project (HFP) is that they've been able to instill a vision and they have brought Australian MNCs onto its board that is sympathetic to its vision. B4MD continuously ensures that vision remains the primary objective.*

The reasons why Australian MNCs agree to share B4MD's vision are potentially varied. Mr Turnbull enunciates: *In my view, it comes down to the leader of MNCs as to what their own view is upon how to deal with the poor. Then, this view will need to be married back to the MNC. If the individual leaders of the MNC do not have their own social a gender to see an improvement in poor countries, then, the reality is it is difficult to see those MNCs become involved in projects like the HFP. Then, to see that value for that which can be justified to their boards regarding empowering poor women farmers is best illustrated by Oil Search Ltd's CEO, Peter Botten. Peter has personally been involved with the highland community for about 30 years and now has a real empathy of the plight of the highlanders.*

Open Mindedness

The BoP approach is a new concept; consequently, B4MD is constantly seeking to learn. Developing markets, over time, serve as a new source of market destination for MNCs. B4MD discards the Western commercial acumen of how sustainable social ventures are best attained. Reverend Costello states: *B4MD can assist MNCs in new ways of thinking about markets, breaking away from traditional markets, particularly as within the next 30 years most trade in the world will be in developing countries rather than conventional or traditional markets. So, opening up a whole new horizon for commercial activity.*

Innovative thinking remains at the apex of B4MD. The active engagement of relationships facilitates the organization's innovativeness. As Reverend Costello previously notes, cultural issues such as tenure, kinship, and land issues act as cultural blocks to the West's understanding of impoverished indigenous farmers. Reverend Costello further elaborates: *By initiating relationships with them (the poor) that negotiate those cultural blocks, whilst also respecting them but at the same time also giving them far greater productivity, is exactly what B4MD can learn and be involved in.* B4MD proactively questions long-held routines, assumptions, and beliefs. In seeking social development, all aspects of key stakeholders must be considered as Mr McKeon explains: *I have very strong views on this. I don't have a lot of time for anyone who states that the best sector to role out some transformational development is for corporate sector, or the NGO sector, or government. The little time that I've spent in the third world has always impressed upon me that it requires all aspects of society working together. The issue is, not whose better but what individual roles do we play?* Open Mindedness is a required ingredient in the acknowledgment business can play a positive and significant contribution to MDG delivery. The opportunity for collaboration deserves recognition, and impetus for this opportunity can be showcased by social entrepreneurs.

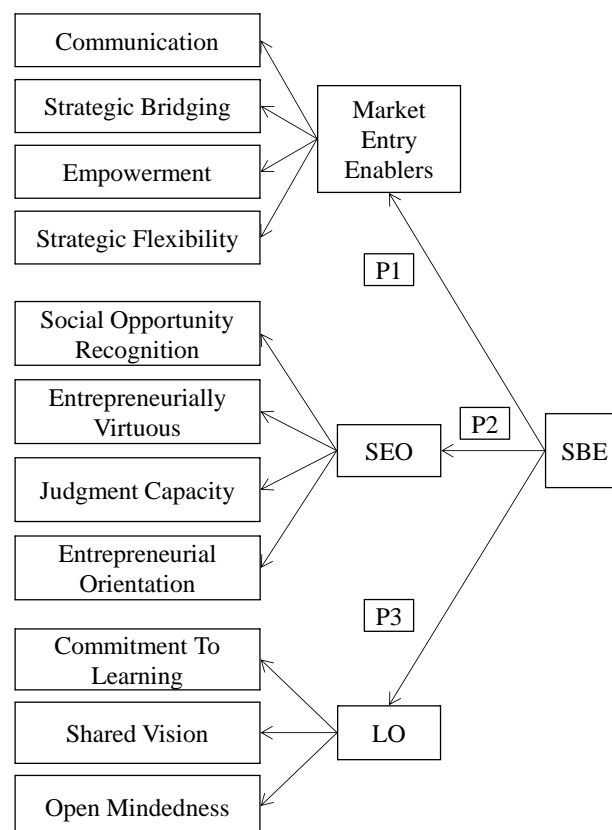


Figure 5.1 - Social Business Enterprise (SBE) Multidimensional Construct

In consequence of case material presented, proposed is the association of the value of Learning Orientation - Commitment to Learning, Shared Vision, and Open Mindedness – in the development of a BoP poverty MDG conceptual model of a Social Business Enterprise. Collaborative learning amongst B4MD, Australian MNCs and economically disadvantaged communities, within a framework of agreed shared objectives to the poverty MDG attainment, is identified as a key knowledge management component to the successful implementation of a BoP project. It is therefore propositioned that:

P3: Learning Orientation (LO) is associated positively to Social Business Enterprise (SBE).

Conclusion

The complexity of sustainable development has amplified the calls for MNCs to take responsibility for social challenges in proactive ways (Seelos & Mair, 2004). The efficiencies of markets combined with MNC resources and expertise are crucial to arresting global development problems (Seelos & Mair, 2004). Social development programs, designed and driven by MNCs and governments, have been unable to change the fates of economically disadvantaged communities living in subsistence (Seelos et al., 2005). Social entrepreneurs discover novel innovative solutions to sustainable MDG development programs. Social entrepreneurs inspires and teaches governments and markets to create human and social capital through delivering service models. Dr Hurditch explains: *B4MD have really encouraged and taught MNCs as to where a project can be anchored. Individuals within MNCs are passionate about it, board executives have not made a decision to participate. According to Reverend Costello: B4MD can deliver experience, learning, frank business lessons, but, B4MD also enhances business reputation in PNG and other nations. This is achieved by B4MD's motivations, trust, reliability, and our reputation, and that reputation, if enhanced, opens up more business.*

This case raises several key issues: Why board executives are not disinterested about social development programs? How a social entrepreneur can discover an innovative service model solution when confronted with market inefficiencies? And can a MNC's core business skill facilitate sustainable outcomes in developing countries? Leading into Case 2, interview material presented addresses the first of three research questions for this thesis; how does a non-governmental organization (NGO) collaborate with a MNC in order to meet the UN first MDG, mitigating poverty?

Chapter 6

Australian MNC Consortium Fundamentals for MDG Progression

Case Synopsis

Case 1 introduced the SBE construct. The present case material builds upon this construct by examining the formation of an Australia MNC consortium established by B4MD. Interview material from two B4MD executive board members Mr Simon McKeon and Dr Dan Evans provide the foundation for this case. Commentary from B4MD board members Dr Bill Hurditch, Mr Mark Ingram, and Mr Masud Isa give additional examination. This case commences with the introduction of three theoretical constructs: Environmental Resources and Infrastructure; Consortium Building Capability; and Foreign Supply Chain Partnerships. Environmental Resources and Infrastructure embraces a producer oriented BoP poverty MDG business model as a result of leveraging off PNG's current resources and infrastructure availability. B4MD's objective is to position the Southern Highlands women farmers as active participants within the province's agricultural supply chain in concert with a consortium of Australia MNCs. The Consortium Building Capability construct demonstrates a critical skill in the development of trusting relationships with non-traditional commercial partners (e.g., cross-sector partnerships). Finally, the Foreign Supply Chain Partnerships construct characterizes a trusted cross-sector partnership of Australian MNC consortia that enter developing countries. In conclusion, the first of this thesis three research questions addresses: How does a non-governmental organization (NGO) collaborate with a MNC in order to meet the UN first MDG, mitigating poverty? The outcome of this case represents a second stage of the development of the current conceptual model.

Introduction

The case analysis extends Case 1 through an examination of the origins of B4MD's Australian consortium of MNCs. The consortium involves the commercial partnerships of: Visy Australia, Oil Search Ltd, Goodman Fielder and Agility Logistics Australia. The process of B4MD collaboratively inventing with an Australia consortium is illustrated as a key to successful BoP poverty MDG implementation in the Southern Highlands province of

PNG. The first of three theoretical constructs, Environmental Resources and Infrastructure, is introduced. Highlighted is B4MD's ability, as a social enterprise, to pioneer a BoP poverty MDG solution to assist PNG's MDGs advancement. The local environmental context (existing infrastructure and resources) of PNG's Southern Highlands province is revealed as pivotal to the successful implementation of HFP enterprise, a BoP poverty MDG project. Case 2 material then introduces Consortium Building Capability, a dynamic competency, heralding a unique ability of B4MD to develop and orchestrate a network of Australia MNC relationships into a consortium, designed for MDG advancement. Finally, adhering to the BoP perspective requiring entry of exogenous ventures into developing countries (London, 2007), this case's third and final construct, Foreign Supply Chain Partnerships, is introduced.

Semi-structured interviews with B4MD board executive's Mr Simon McKeon and Dr Dan Evans provide the bulk of the material for this present case. Mr McKeon and Dr Evans were instrumental in identifying a BoP poverty MDG project from the PNG Liquefied Natural Gas (LNG) project. Both board executives undertook significant roles in establishing a consortium of Australian MNCs. Mr McKeon is the 2011 Australian of the Year and has been the inaugural Chairman of B4MD since 2007. Alongside his B4MD commitments, Mr McKeon is also the executive chairman of Macquarie Bank's Melbourne office, chairman of the CSIRO, Director of Vision Fund, World Vision International's microcredit arm, the Global Poverty Project, and Red Dust Role Models. Mr McKeon previously served as Founding President of the Federal Government's Australian Takeovers Panel, Founding Chairman of Multiple Sclerosis Research Australia and Founding President of the Federal Governments Point Nepean Community Trust.

Dr Evans professional career spans the mining and professional services sectors. After 26 years with WMC (World Mining Corporation) Resources where his final role was Vice President Exploration - Africa/Eurasia, Dr Evans spent ten years in management consulting. He was a strategy partner in Accenture focused on the global mineral resources industry. Currently, Dr Evans is the Principal of Executive Compass, a management consultancy he founded in 1991 and Non-Executive Chairman of RMDSTEM (Resource Management & Development Pty Ltd and STEM Partnership Pty Ltd). Dr Evans holds a PhD degree in geology, is a member of the Australian Institute of Company Directors, and Vice President of the Australian African Business Council (Victoria). In addition to, relevant conversations

with Dr Bill Hurditch, Reverend Tim Costello, Mr Mark Ingram, and Mr Masud Isa contributed to the development of this case.

The Social Business Enterprise Connection to Advancing the MDGs in a Developing Country

The introduction of SBE in Case 1 highlighted the theoretical elements of Market Entry. Interview findings with B4MD revealed four additional market entry attributes – Communication, Empowerment, Strategic Flexibility, and Strategic Bridging - assisted in the formation of the SBE multidimensional construct. The theoretical element of Strategic Flexibility is important to B4MD as the NGO believes social development ventures should encompass a variety of BoP approaches. Dr Evans comments: *B4MD has the equipment, and people, to be very flexible with our strategic approaches, consequently, B4MD feels very comfortable crafting a business model that makes the most sense for a particular social opportunity. Now, this would involve the needs of the community, the needs of Australian MNCs, and the needs of a developing country's environmental shortcomings (social and economic infrastructure) to facilitating social development projects. Peoples concerns can be put to rest. So, I can see a full range of economic models being utilized from those that are true for social businesses.*

B4MD makes use of PNG's extant resources and infrastructure in designing an agricultural processing plant such as HFP. Mr Ingram explains: *the organization's 2009 trade delegation identified several viable projects when attending native markets, surveying crops and speaking with tribal elders and field workers.* Identified was the possible establishment of HFP enterprise by utilization of present environmental resources and infrastructure associated with the Southern Highlands province (Business For Millennium Development, 2009). Accordingly, it is proposed that assessment of the viability of a developing country's environmental context (resources and infrastructure) can be harnessed in determining the attainment of the poverty MDG, and subsequent MDGs, through a BoP poverty MDG venture. B4MD's dependency on the contextual environment of the Southern Highlands province of PNG contributes to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise. Accordingly, it is proposed that:

P4: Social Business Enterprise (SBE) is associated positively to Environmental Resources and Infrastructure.

Environmental Resources and Infrastructure

Inadequate local infrastructure and resources prevail in developing countries (Seelos et al., 2005). Market-based enterprise operations can be prevented when basic physical and organizational structures and facilities (e.g., local buildings, roads, power supplies, expertise, social infrastructure) are deficient (Ingram, 2010). According to Isa (2010) and McKeon (2011), B4MD construct BoP poverty MDG projects subject to the local environment, or conditions, pertaining to a developing country. This principle is supported by Hart and London (2005) whereby a BoP venture requires constructing market-based operations using existing resources, expertise, and social infrastructure already present in a developing country.

The PNG government has embarked upon significant infrastructural reform, constructing roads jointly connecting the Southern Highlands and Gulf provinces in recent years. Previously, remote villages in PNG were isolated to trigger any form of social development ventures (Business For Millennium Development, 2009). As a result of PNG's infrastructure reform, coupled with the will and support of the Southern Highlands communities, B4MD identified a BoP poverty MDG opportunity (Business For Millennium Development, 2009). Mr Ingram affirms: *B4MD is in for the long haul. We have chosen the brutal terrain of the Southern Highlands for our first foray in the hope of piggybacking on new supply chain infrastructure coming into the area when the liquefied natural gas project is built, bringing with it new roads and communications.*

Echoing these sentiments, Mr Isa highlights how B4MD is dependent upon the context of PNG's environment. *The Southern Highlands terrain is very difficult. An independent development observer advised B4MD that if you can grow vegetables on this terrain, you will also be able to grow vegetables on the moon. This ultimately means the terrain is extremely difficult to cultivate. Now, if B4MD can make the Southern Highlands MDG project successful, this will in turn be a wonderful case study, or demonstration, for replication into other poor Asian countries.* Mr Isa continues to enunciate advising foreign direct investment will augment PNG's economic activity subject to further economic and infrastructure development. Presently, large resource companies are the sole business sector significantly contributing to the PNG economy.

B4MD's motivation to create the HFP enterprise is a further illustration of the critical role Environmental Resources and Infrastructure theoretical element plays in the likelihood of ensuring the viability of a BoP poverty MDG venture. B4MD's BoP poverty MDG producer model aims to arrest supply chain issues beset in the Southern Highlands province. When realized, local communities can accommodate Oil Search Ltd's catering contract demands and specifications through ownership of HFP. Dr Hurditch enlightens: *B4MD is building capacity for the Southern Highland communities to produce more products at a higher quality. The catering contract with Oil Search Ltd requires a certain level of product quality and time for production; hence, a discipline is built into those markets.* Mr McKeon reiterates explaining how B4MD's BoP producer oriented business responds to the environmental context of the Southern Highlands province: *To create an export focus business aligned with a company (Oil Search Ltd) that's been there for a long time, unfortunately, the company hasn't had the ability to source locally and market that produce outside of their communities. When we look at HFP, not only do they (women farmers) end up producing food for the work force which has been set up in response to local established infrastructure, but beyond that, HFP is able to utilize the new road that has been setup from the coast, a better supply chain linkage through barging and shipping, but you also now have a sophisticated export market there in the making.*

Extant resources and infrastructure can prevent a best practice approach to social sustainable development ventures (Seelos et al., 2005), reducing the scope for market-based solution replication. B4MD's 2009 trade mission feasibility assessment of PNG's environmental context identified HFP as a sustainable development venture. Additionally, trade delegation officials identified the necessity of other inputs (i.e., vegetable & fruit seeds, new farming techniques, refrigeration storage, inter alia), not readily available in PNG, but necessary to build HFP in successfully serving Oil Search Ltd's catering contracts. Moreover, the core business skills associated with the Australian consortium were identified as a prerequisite in building HFP in the Southern Highlands province (Business For Millennium Development, 2009). The establishment of trust between consortium members was identified as a vital element in the orchestration of required inputs. In other words, integral to developing a BoP poverty MDG business model was the creation of a network of connections based principally on trust amongst diverse organizations and institutions. Table 6.1 provides a definition of Environmental Resources and Infrastructure theoretical element.

Table 6.1 - Definition of Environmental Resources and Infrastructure

Theoretical Element	Definition
Environmental Resources and Infrastructure	Developing countries encounter inadequate local infrastructure and resources. Market-based commercial operations can be prevented when basic physical and organizational structures and facilities (local buildings, roads, power supplies, expertise, social infrastructure) are deficient. This definition emerges from the present interview material.

In this light, it is proposed that the development of a network of trustworthy connections, amid diverse organizations and institutions, can provide the required and missing inputs to a developing country's environmental context in the application of a BoP poverty MDG project. The Australian consortium assembled by B4MD represents a network of trustworthy connections and can be regarded as a dynamic capability of consortium building; leading to the following propositioned that:

P5: Environmental Resources and Infrastructure is positively associated to Consortium Building Capability

Consortium Building Capability

Consortium Building Capability is defined as an ability to develop relationships with non-traditional partners, co-inventing custom solutions, and building local capacity (London & Hart, 2004). This capability involves generating bottom-up developments that leverage and build upon existing social infrastructure otherwise known as Environmental Resources and Infrastructure (Table 6.1). When formulating BoP strategies, resources and knowledge from external environments (developed countries) are viewed as sources of competitive advantage (London & Hart, 2004). Relationship networks and its contacts are key capabilities, critical for effective social entrepreneurs (Thompson, Alvy, & Lees, 2000).

B4MD's ability to orchestrate and pioneer a consortium of Australian MNCs exemplifies this capability. Comprising of diverse cross-sectorial commercial relationships, the Australian consortium was actualized as Dr Evans explains: *To undertake such an adventure, to this*

extent in PNG, was an opportunity requiring consortium establishment. Companies, themselves, do not have the insight, perhaps the drive, to actually envisage a consortium, and it takes an independent party, like B4MD, to actually recognize the opportunity and where it is, or, a company like B4MD that has relationships with potential MNCs, like Oil Search Ltd catering.

Dr Evans insight gives rise to the legitimization of the SBE behavioral characteristics showcased in Case 1 (Communication; Strategic Bridging; Entrepreneurially Virtuous; and Commitment to Learning). Mr Isa reveals how B4MD effectively: (1) communicates exclusively with Australian MNCs and PNG government officials (Communication), not just women farmers; (2) develops strategic bridges to pipeline an Australian MNC's core business skill required for the HFP project; (3) acts entrepreneurially virtuous when exhibiting unwavering belief in stakeholder participation, contributing meaningfully to economic and social development; (5) behaves proactively to pioneer the advent of an Australian consortium; and (6) demonstrates a commitment to learning which is epitomized by Mr McKeon's assertion that only some Australian MNCs are understanding the BoP mantra; consequently, further training and learning is incumbent.

The utilization of native knowledge and resources is key to B4MD in fostering BoP poverty MDG projects. A developing country's local context necessitates bottom-up development, a crucial component to the BoP mantra (London & Hart, 2004). Affirming this philosophy, Mr Isa asserts: *B4MD's approach to designing an approach to mitigate poverty is quite different from large development organizations. B4MD utilizes a bottom-up approach for the HFP project, not a top-down utilized by large development organizations.* Mr Isa further elaborates: *because of this positive interaction (bottom-up approach), we were able to involve business leaders who could, and can, lend their core competencies within an inclusive strategy to understand and create sustainable development from poor farmers.* Table 6.2 provides definition of Consortium Building Capability theoretical element.

In consequence of case material presented, proposed is the association of Foreign Supply Chain Partnerships, facilitated by Consortium Building Capability, in proposing a BoP poverty MDG venture.

Table 6.2 - Definition of Consortium Building Capability

Theoretical Element	Definition
Consortium Building Capability	Developing countries encounter inadequate local infrastructure and resources. Market-based commercial operations can be prevented when basic physical and organizational structures and facilities (local buildings, roads, power supplies, expertise, social infrastructure) are deficient. This definition emerges from the present interview material.

As previously noted, B4MD's 2009 feasibility assessment revealed that Oil Search Ltd's catering contract demands would far exceed the capacity of local Southern Highlands growers to supply produce in the short-and-medium terms (Business For Millennium Development, 2009). An opportunity of an Australian consortium to assist was identified. Accordingly, it is propositioned that:

P6: Consortium Building Capability is associated positively to Foreign Supply Chain Partnerships.

In building a BoP poverty MDG conceptual model of a Social Business Enterprise, present case material has identified the theoretical constructs of Environmental Resources and Infrastructure, coupled with Consortium Building Capability. A third and final case construct has additionally emerged underpinning BoP academic literature and extending the conceptual model involving Foreign Supply Chain Partnerships.

Foreign Supply Chain Partnerships

According to London (2007), BoP approaches involve external ventures to enter into developing markets where economically disadvantaged communities live and operate. External participation, or Foreign Supply Chain Partnerships, encompasses MNCs, domestic firms, NGOs, and non-native individuals. Developing markets are, however, predominantly not target markets for MNCs (Ingram, 2008). B4MD educates and unites an Australian consortium of MNCs to undertake commercial activities in developing countries by utilization of organizations consortium building ability. Mr Isa enunciates: *MNCs are*

operating in poor countries with the concept of one hundred percent profit. In regions of poor countries, MNCs do not and will operate in. They won't operate in particular poor regions and countries because MNCs consider those regions as not belonging to their market. What B4MD can do is assist those MNCs to operate in those alien markets, but; however, operate at a small commercial return, not at a normal commercial rate of return. Hence, B4MD facilitates this process by acting as a conduit. The conduit task executed by B4MD supports the SBE behavioral characteristic of Strategic Bridging. Table 6.3 provides definition of Foreign Supply Chain Partnerships theoretical element.

Table 6.3 - Definition of Foreign Supply Chain Partnerships

Theoretical Element	Definition
Foreign Supply Chain Partnerships	BoP approaches involve external ventures to enter into developing markets where economically disadvantaged communities live and operate (London, 2007). External participation, or Foreign Supply Chain Partnerships, encompasses MNCs, domestic firms, NGOs, and non-native individuals. This definition emerges from the present interview material. This definition emerges from the present interview material.

Foreign Supply Chain Partnerships contributes to the development of the BoP poverty MDG conceptual model of a Social Business Enterprise (Figure 6.1). Risk Taking, an EO element from Case 1, complements the Foreign Supply Chain Partnerships theoretical construct. Convincing Australian MNCs to invest, or re-invest, their core business into developing country invokes commercial risk. Agility Logistics Australia CEO and Managing Director, Mr Turnbull, indicated earlier (Case 1) that B4MD was an unproven NGO with an unproven business model. Thus, partnering with B4MD involved taking commercial risks. MNCs needed to be confident with B4MD, and that its BoP poverty MDG model had commercial longevity. B4MD curtails perceived commercial risk taking through education. B4MD's commitment to learning is pivotal in appeasing MNC concern. As Dr Hurditch aforementioned, B4MD informs Australian consortia and other MNCs where BoP poverty MDG projects can be anchored, along with the inherent commercial benefits of such anchoring.

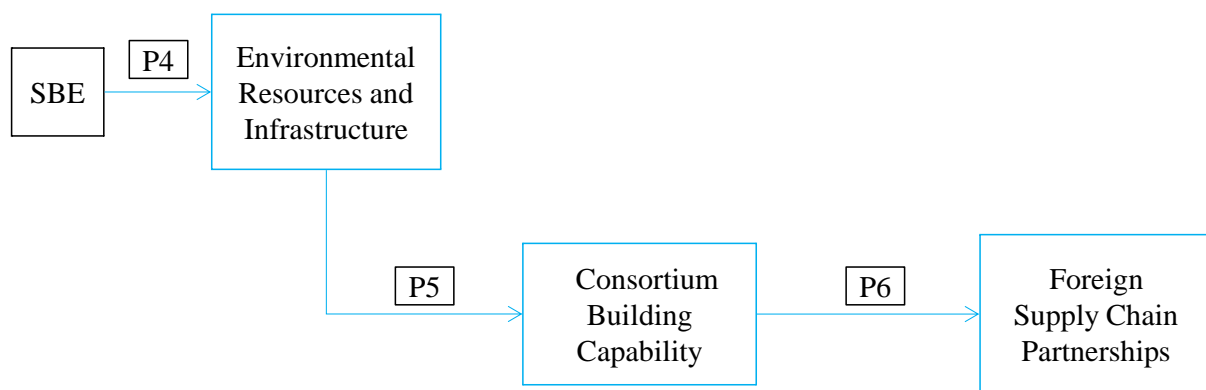


Figure 6.1 - Australian MNC Consortium Fundamentals for MDG Progression

Conclusion

Scholars (London & Hart, 2004; Sanchez et al., 2007) suggest that entry into developing markets by non-native organizations requires the development of new capabilities. In the development of a BoP poverty MDG conceptual model, present case material introduces two theoretical elements, Environmental Resources and Infrastructure and Foreign Supply Chain Partnerships. These two elements build upon Case 1 findings. Additionally, the existing case also introduces the first capability pertaining to this thesis, Consortium Building. The capability is crucial in orchestrating an Australian consortium, which is characterized by generating bottom-up development with economically disadvantaged communities, and utilization of local social infrastructure in Southern Highlands of PNG. As introduced in Case 1, bottom-up development is an important feature of a BoP approach geared for MDG attainment. B4MD's bottom-up development approach affirms BoP academic literature (Harjula, 2005; Karnani, 2007; McFalls, 2007). While foreign consortium participation of companies is required to ignite BoP development, bottom-up development (Prahalad & Hart, 1999) and co-creation with economically disadvantaged communities are deemed as a key components of a BoP model (London & Hart, 2004).

Leading into Case 3, research identifies key capabilities as to B4MD's ability to develop another network of connections. Demonstrated is B4MD's consortium building ability to create a web of trusted connections with the local women farmers of PNG's Southern Highlands province. In addition, Case 3 reveals the Australian consortium's preparedness to co-create with the women farmers, through B4MD. This pioneering achievement is revealed

as an attribution to Strategic Bridging characteristic of the SBE construct (Case 1). Case 3 builds upon Cases 1 and 2 highlighting three new competencies: Bricolage; Collective Efficacy; and Knowledge Creation. These three abilities are presented under the umbrella of Co-creation with economically disadvantaged communities, the second dynamic capability pertaining to this thesis. Demonstrated is how these capabilities enable B4MD to assist the Southern Highlands women farmers in PNG to co-create with the organization in designing HFP enterprise. It is in the context of Case 3, where research questions two and three of this thesis is addressed; how does a MNC create value outcomes by co-creation and engaging with economically disadvantaged communities with the explicit goal of progressing the poverty MDG; utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between Social Business Enterprise, MNC, co-creation, and value outcomes?

Co-creation Capability leading to Value Outcomes for an Australian Consortium

Case Synopsis

Present case material builds upon findings of Cases 1 and 2, in finalizing this thesis conceptual BoP poverty MDG model of a Social Business Enterprise. Interview material is introduced chiefly by B4MD's CEO, Mr Mark Ingram and Director of Projects, Mr Masud Isa. Commentary from B4MD Board members Dr Bill Hurditch, Dr Dan Evans, Mr Simon McKeon, and Reverend Dr Tim Costello is also presented. In addition to, sole representative of the Australian consortium, Mr Mick Turnbull, provides interview material for this case. This case commences with an introduction leading to the proposal that Case 2 theoretical element, Foreign Supply Chain Partnerships, is linked to Co-creation with economically disadvantaged communities in delivering a sustainable social business enterprise, aimed at achieving the MDGs. Co-creation is presented as a second capability of the SBE as an all-encompassing element incorporating three competencies; Bricolage, Collective Efficacy, and Knowledge Creation. Case material subsequently examines the value outcomes for an Australian consortium. In conclusion, research questions 2 and 3 are addressed: how does a MNC create value outcomes by co-creation and engaging with economically disadvantaged communities with the explicit goal of progressing the poverty MDG; utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between Social Business Enterprise, MNC, co-creation, and value outcomes?

Introduction

The present material expands upon the previous case analyses and examines B4MD's capability to co-create with economically disadvantaged communities. Through the NGO's consortium building ability, a development of trust between B4MD and the Southern Highlands women farmers is achieved, which is considered crucial to the successful creation of the HFP. A process of co-creation is considered necessary by

B4MD if the HFP enterprise is to be a successful sustainable social business, aimed at creating mutual value outcomes to women farmers and an Australian consortium. The SBE elements of Strategic Bridging, Communication, and Empowerment, introduced in Case 1, are shown to be demonstrable in creating a network of trust with not only an Australian consortium but also with the women farmers. The theoretical conceptualization of London (2007) and London and Hart (2004) provide a framework of support for B4MD's bottom-up co-creative approach. This case material is structured as follows: Case 3 commences with an introduction, followed by a proposition whereby Case 2 theoretical element, Environmental Resources and Infrastructure, are discussed in relation to Co-creation Capability. Co-creation is regarded as an outcome of SBE, and comprises of three key capabilities: Bricolage, Collective Efficacy, and Knowledge Creation. Co-creation is established as essential for the establishment of a commercially sustainable BoP poverty MDG project such as B4MD's HFP project. Finally, the present case concludes with a discussion on the theoretical element Value Outcomes for a MNC Consortium.

Semi-structured interviews with B4MD's executive Board members, CEO, Mr Mark Ingram, and Director of Projects, Mr Masud Isa, provide the bulk of the material for the formulation and subsequent understanding of Co-creation Capability. Mr Mark Ingram served as the New Zealand Consul General to Victoria and Trade Commissioner for Biotechnology prior to his appointment as CEO of B4MD. During this occupation, Mr Ingram brokered the establishment of the Australia New Zealand Biotech Alliance, and founded the New Zealand Victoria Business Group. Preceding his diplomatic posting, Mr Ingram worked for New Zealand Trade and Enterprise as an Export Consultant. Mr Ingram also has acquired extensive commercial experience within international trade as Trading Manager, and working with Japanese trading house Kanematsu Corporation as Metals Division Assistant Manager. Mr Ingram is currently a member of the Australian Institute of Company Directors and a member of the Advisory Committee for Human Security at La Trobe University in Melbourne Australia.

Mr Masud Isa joined B4MD in 2009. He was formerly the Managing Director of Grameen Kalyan (a venture capital financing company) for two years and Managing Director of Grameen Telecom for a period of three years - the pioneer of village phone operations in Bangladesh. Mr Isa's commercial experiences also encompass serving as

Managing Director of Grameen Knitwear Limited, an export-oriented composite knitwear manufacturing company. He was also on the Board of Directors in several companies of the Grameen Group in the areas of telecommunication, textile, agriculture, fisheries, education, health care, asset management, and Internet Service Providers. Furthermore, Mr Isa has worked as micro-credit consultant for AusAID, UNHCR, and Grameen Trust, and participated as a Resource Speaker in training programs, workshops, and seminars.

Mr Mick Turnbull, is representative of the value outcomes for an Australian consortium member and is a fellow B4MD Board executive, and CEO and Managing Director of Agility Logistics Australia. He is the regional CEO for North Asia & Australasia of Agility Logistics a global top 10 logistics provider. His oversight extends to Australia, NZ, PNG, Korea, Japan, and the Philippines. Following his appointment of Agility in 1998, he has also taken onboard a number of key roles including being a member of Agility's Asia Pacific Management Board as well as a director of two associated joint venture companies. Mr Turnbull holds a post-graduate Diploma of Management, and is a fellow of the Australian Institute of Management, Member Company Directors Institute, Fellow Customs Brokers Council of Australia, and Member Australian Institute of Export. Adding to the development of this case are relevant discussions with Dr Bill Hurditch, Dr Dan Evans, Mr Simon McKeon, and the Reverend Dr Tim Costello.

Environmental Resources and Infrastructure and Co-creation Capability Associated to Advancing the MDGs in a Developing Country

In addressing MDG attainment for the Southern Highlands women farmers in PNG, an Australian consortium considers the intervention of B4MD as a necessary contribution, deeming that without the knowledge base and skill set of B4MD, advancing the MDGs will be problematic. Mr Turnbull comments: *In my personal view, I feel far more comfortable with dealing with B4MD rather than endeavoring to deal with community MDG issues in our own right. If we try to empower the poor in our own right, without the experience, knowledge base, and framework that B4MD has, then I believe that as a company we would really struggle. But by collaborating with B4MD, which enables us to also leverage off the other MNC partners, this provides comfort in knowing we are progressing positively.*

In the objective of advancing the MDGs, B4MD is able to associate the progression of the poverty MDG, eradicate extreme poverty and hunger, by identifying the women farmers as part of the Southern Highlands province economic value chain. By recognizing the pertinence of social infrastructure, B4MD believes that the women farmers can act as a necessary resource, undertaking skill functions that provide value within the provinces agricultural supply chain. Case 2 reveals how Oil Search Limited (OSL) was unable to source produce locally. Consequently, the HFP was designed to fulfill this market void. Extending the comments of Mr McKeon, Mr Ingram enunciates: *B4MD does not ask women farmers to try to change their lives in any fundamental way, we are just responding to their cry for help to sell things that they produce every day. ...In the case of HFP, the poor have been identified as being able to sell the necessary produce that they farm to OSL. The poor are now producers and they are now embedded into the Southern Highlands local supply chain.*

The theoretical element of Strategic Bridging, introduced in Case 1, gives rise to the crucial importance of B4MD's ability to remain an independent third party stakeholder in the development of the HFP enterprise. While B4MD is representative of an Australian consortium, the present NGO is able to strategically undertake commercial dialogue with the women farmers. B4MD deems the women farmers involvement to be vital in the development of a sustainable social business venture. Through a process of co-creation, B4MD is able to identify cultural and commercial obstacles that can prevent a BoP poverty MDG venture. Mr Ingram affirms: *It's extremely critical to have the poor's involvement. You cannot come up with these BoP concepts by sitting in an office in any major city in Australia, other BoP projects have required a good degree of immersion in the community. So, once again, the poor's active involvement in social development outcomes is a must.* Subject to the comments elaborated by B4MD it is proposed that:

P7: Environmental Resources and Infrastructure is associated positively to Co-creation Capability.

Co-creation Capability

B4MD's 2009 PNG trade mission actively sought community knowledge from the Southern Highlands province of PNG to assist in creating the HFP enterprise. This

strategic bottom-up approach of co-creation is deemed necessary by B4MD. The current NGO believes that commercially sustainable BoP MDG projects can be identified when direct dialogue with economically disadvantaged communities is undertaken. Mr Isa reveals: *B4MD asked the women farmers what problems are they confronted with; why are they living in subsistence; and why are they not in the position to move beyond living in subsistence farming. We also asked what their expectations of B4MD are. One particular issue the women farmers in Southern Highlands are facing is that they don't have the market for their produce. The markets available to them are too small. The potential buyers of the produce demand better quality standards of their goods, but women can't achieve this because of their lack of logistics support, lack of support, and lack of technical and other inputs.* Mr Isa's comments are reflected in the preceding statements made by Mr Ingram, found in the SBE theoretical element of Communication pertaining to Case 1. Mr Ingram declares how the B4MD trade delegation of companies sat with community farmers to inquire whether the local women farmers would undertake a BoP business venture with the NGO and an Australian consortium. This form of co-creation is regarded as imperative by B4MD and consequently contributes to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise (Figure 7.1, p. 153).

When assembling a BoP poverty MDG venture, Mr Isa makes note of the importance in: *understanding how the farmers live, what struggles they go through in their daily lives, what production tools they use, and what level of poverty they are immersed in. Without having a relationship with women farmers in a format which is not mutually respectful, and inclusive, it will not be possible to understand a solution to their problems.* Mr Isa continues to inform that: *farmers cannot be understood from a distance, and that you must go there to talk with them, work with them, to discuss the issues around them. If this relationship is not established, it then becomes impossible to create a relationship which identifies as sustainable, social, commercial project like HFP.*

A relationship of co-creation with the Southern Highlands women farmers is of commercial value to B4MD. Mr McKeon espouses social ventures such as HFP are fundamentally relationships: *Westerners don't live there in PNG or other poor countries, they don't know what their needs are. Westerners don't really know about the*

place and environment, also, they don't know of their aspirations. I believe that it is self-evident that social ventures must be worked out together. Continuing Mr McKeon's thoughts are sentiments expressed by the Reverend Dr Costello: *In many projects around the world, Australian businesses come in and claim that we can work with you, there's poverty here, there's a market also here for us, well, what should be highlighted is these people don't regard themselves as poor, that's not their self-identity. And, therefore, there has to be a co-creative approach as to what we are actually discussing, what this is all about in how we design it. The poor are a part of the solution, they are themselves a valuable resource.*

On the basis of present interview material, the theoretical element of Co-creation Capability is viewed as encompassing three competencies pertinent to the development of a Social Business Enterprise: Bricolage; Collective Efficacy, and knowledge Creation. These elements are presented in details below.

Bricolage Capability

Bricolage is a relatively new form of entrepreneurship (Baker, 2007; Baker et al., 2003), and can be defined as the process of making do with what is at hand (Levi-Strauss, 1966), at any given moment, for new purposes (Campbell, 2004). Authors (Baker & Nelson, 2005) suggest that bricolage involves applying combinations of resources, at hand, to new problems and opportunities. Resources can be physical, social, and institutional inputs. Moreover, the authors (Weick, 1979) suggest that entrepreneurial actors disregard common limitations in depleted and poor environments (Penrose, 1959), and instead insist upon trying to find solutions.

Silverthorne (2007) espouses that companies should leverage the productive capacity of economically disadvantaged communities as an input to business. B4MD adopts an inclusive business whereby the women farmers are a valuable resource, an input, to the HFP enterprise. As illustrated in Case 2, the Australian consortium provides resources to the women farmers in the form of training, the supply of seeds, along with other vegetation growth resources. These resources catalyze the women farmers to make do with their skills and input their agricultural farming to supply necessary produce for processing at HFP. It is a form of bricolage which contributes to the development of a BoP poverty MDG model of a Social Business Enterprise (Figure 7.1, p. 153). The

combination or inclusiveness of resources – social skill with MNC core business skill – is essential in the advancement of the MDGs. Mr Ingram remarks: *the poor, globally, are not sitting in their homes and fields waiting for charities and foreign aid, rather, they're asking where is employment, where is a way out where by I can utilize my skills and talents to deliver economic opportunity.* Mr Ingram also affirms: *The way we, B4MD, look upon delivering social value is not by imposing upon a poor person and community, but rather saying to them how do we unleash their latent potential to become more economically productive. So, all of B4MD's project concepts are about how do you unleash the skills that the poor already have because the poor are immensely talented and innovative.*

Mr Ingram highlights that B4MD's model of inclusive business is about BoP projects that concern low-income communities to the HFP's value chain. The HFP business model presents itself in the form of treating low-income communities as producers, consumers, employees, and as distributors. Complementing these views, Mr Isa highlights the intricacies of B4MD's inclusive approach in creating HFP as a social sustainable business: *...the poor are perceived as beneficiaries, but never as partners. Now, in the HFP project, the poor women farmers are partners, they own HFP, they have a stake in the company.* Mr Isa continues: *...the Australian MNCs, with their core businesses, come and help by providing inputs, services, their expertise, seeds etc; this is their part of their contributions to creating HFP. From these contributions, the farmers are provided with the skills to now produce a product to a market that meets the quality measurements, quantity demands, at a market competitive price. And of course, profits are mostly redirected back into HFP.*

As a by-product of B4MD's inclusive business strategy, this NGO is also able to cultivate an improved environmental footprint with the Southern Highlands province terrain, while adhering to with the MDG framework. Mr Ingram explains: *The environmental foot print will be very light because we will be saying to the farmers to stay on your own land, and we'll provide you with better seeds, fertilizer and irrigation systems, but remain and stay where you live now. This is not about migration of labor, B4MD will need to however build some poultry sheds and have some trucks coming along but this will be organized in consultation with local communities to ensure the village life remains preserved.* Mr Ingram also notes that B4MD's objective is to

unequivocally leave and preserve the traditional life styles of the villages as much as possible, aiding in the local communities' calmness and confidence. B4MD counsels the native women farmers to remain on their indigenous land while the NGO provides them with suitable agricultural seeds, fertilizers, and irrigation systems, to grow the necessary produce to supply HFP.

By taking into account PNG's environmental context, and notwithstanding the country's extant resource and infrastructure limitations, B4MD developed another necessary network of trusted relationships with the Southern Highlands women farmers, a necessary progression for MDG advancement. Dr Evans affirms: *From a Board level, B4MD has learned a tremendous amount of knowledge from the perspective of PNG politics, at village level, and at a provincial level. The information I've received has been quite strong, trust established between the clans' village chiefs and B4MD.* The development of trust cultivated by B4MD with the Southern Highlands women farmers is supportive of the SBE theoretical element of Strategic bridging introduced in Case 1. As Gray (1989) stipulates, Strategic Bridging involves discovering a solution to development problems where other parties to the collaboration are unable to negotiate directly owing to mistrust, tradition, logistical problems, or the need for a third party to restore balance of power, resources, and expertise between prospective collaborators.

Collective Efficacy Capability

Collective Efficacy is concerned with people's confidence in their joint capabilities to accomplish set goals, and to withstand opposition and setbacks (Bandura, 1995). Bandura (1995) asserts that people with a sense of collective efficacy can mobilize their efforts and resources to cope with external obstacles to the changes they seek. The SBE theoretical elements of Communication, Empowerment (Case 1), and Consortium Building Capability (Case 2) can be linked to B4MD's efforts to develop an additional network of trusted connections. A network of collective trust with economically disadvantaged communities is identified as a critical component to realizing BoP MDG value outcomes, contributing to the development of the present BoP poverty MDG model of a Social Business Enterprise (Figure 7.1, p. 153). Mr Isa affirms how B4MD's approach to incorporate the Southern Highlands women farmers to develop HFP fosters self-empowerment and trust amongst the local communities: *...the model B4MD utilizes is to benefit the poor as owner and participant of the economic value chain which*

benefits the women and children in particular. So, you could view our model as a continuous or expanding cycle of power of an empowerment social process. Mr Isa continues to elaborate by highlighting how the organization's attempts to empower and garner trust amongst women farmers is to be achieved by awarding HFP shareholder ownership to local communities: ...with respect to the total shareholding design of the HFP project, 90 percent of the 70 percent share-holding by local communities is given to the women, B4MD has made this mandatory in HFP's constitution. If B4MD did not make this mandatory in the HFP project, the women would not have empowerment, nor trust. Now, women are at the center of HFP activities involving the family, and the money should now flow into their respective families.

In ensuring that the cycle of empowerment and garnered trust is maintained, B4MD continually fosters, refines, and nurtures the organization's relationship with economically disadvantaged communities. When B4MD are in the Southern Highlands of PNG, validating the NGO's BoP business model, the organization continually refines the newly developed relationship with the Southern Highlands women farmers. Mr Ingram enunciates: *...that continuous model of "keep coming back" and not over-promising and not to under-delivering, but keeping up the trust by consistently seeing us every few months, whilst we provide them with updates with how B4MD is progressing, instills an air of excitement with the women farmers.*

In response to the Southern highlander's expression of help to sell produce to which they can grow daily, B4MD believes that they are not required to make any fundamental modifications in the way they live their lives (Ingram, 2008). For centuries, indigenous farmers have been utilizing environmentally friendly farming methods to harvest their agricultural produce, Mr McKeon testifies: *...The poor have been working with the land for thousands of years. As far as I'm concerned, the people of the Western world have a habit of plundering the land and sometimes not thinking about it in the long term. I certainly believe that we can learn from indigenous farmers who are working with the land and have learned about sustainability.* Echoing similar sentiments, Mr Ingram explains that the Southern Highland women farmers are now in a position to identify social opportunities as a result of their agricultural farming heritage: *For millennia, the farming community's grandparents and descendants were horticultural producers off the land; consequently, this is a deep history of doing. Hence, the women farmers are*

excited about the prospect of economic recognition for what they do. Now, economic recognition doesn't mean anything as long as it converts in social outcomes.

In pursuit of economic integration and recognition for economically disadvantaged communities, Mr Isa asserts B4MD's approach in delivering MDG outcomes by market mechanisms is different in comparison with large development organizations: *B4MD utilizes a bottom-up approach (i.e., HFP project) not a top-down utilized by large development organizations. B4MD adopts a proactive engagement approach, not a unilateral approach, where both parties understand each other's problems and competencies. Now, because of this positive interaction, we were able to involve business leaders whom could lend their core competencies within an inclusive strategy to create a sustainable development venture from women farmers.* BM4D's efforts to pipeline the collaborative efforts of an Australian consortium with the Southern Highlands women farmers into a co-creative business relationship, is regarded as essential to successful BoP poverty MDG outcomes. B4MD, acting as an independent entity in discussions, successfully combined both opposing parties (Australian consortium and the women farmers) into a singular, trusting, cooperative network.

This achievement is considered vital for BoP poverty MDG success and is reflective of the theoretical element of the SBE element of Strategic Bridging presented in Case 1. BM4D, a social enterprise, successfully demonstrates back-home commitment from its constituents (an Australian consortium of MNCs) to develop an inclusive business strategy with economically disadvantaged communities as Mr Isa reports: *The resultant effect of our inclusive business strategy to sustainable development is now B4MD has a long term empowering and trusting relationship with poor women farmers.* Accordingly, the need for local participation and knowledge from economically disadvantaged communities is deemed imperative in the development of collective trust amongst participating stakeholders.

Knowledge Creation Capability

Companies face a range of challenges when entering developing countries. Business model recalibration needs to accommodate local markets, along with the cultural, economic, institutional, and geographical features of a developing country (Dahan et al., 2009). Collaborative efforts with NGOs can facilitate new methods of value creation

(Dahan et al., 2009) when addressing obstacles in a developing country. As formerly indicated, B4MD BoP approaches are premised upon bottom-up initiatives to combat perceived economic and social challenges in a developing country. This process of development ensures that the voices of economically disadvantaged communities are heard and, moreover, are incorporated into a sustainable business venture designed for MDG attainment. Consequently, the component of Knowledge Creation is deemed to assist in the development of a BoP poverty MDG conceptual model of a Social Business Enterprise (Figure 7.1, p, 153).

B4MD's bottom-up approach is designed to assist the organization in cultivating a coherent unity of purpose and action in the face of social development complexity. Discussing issues that identify mutually beneficial outcomes is a key B4MD BoP philosophy. It is this approach that also gives rise to the theoretical elements of Judgment Capacity and LO, pertaining to SBE, introduced in Case 1. In demonstration of B4MD's approach to consultation with economically disadvantaged communities, Mr Isa highlights the necessity of understanding the women farmers' social and environmental complexities when designing the HFP: *Without understanding the poor communities' social, economic, and cultural issues, B4MD would not have been able to design the HFP project in its current form. Previously, most of the PNG projects were not designed in consultation with the poor but were, instead, imposed upon them, and, of course, they didn't work. This is because the local people thought these projects were not of benefits to themselves. Now, the HFP project is acknowledged by the local communities to be of benefit to them.*

In the development stages of the HFP enterprise, Mr Isa communicates that: *B4MD consulted with the Southern Highlands local communities inquiring as to what they wanted, how they wanted it, what problems they were encountering, and how they wanted their issues resolved.* As a consequence, the project design of HFP is indeed a culmination of intense interaction with the Southern Highlands communities. Mr Isa continues to elaborate: *So, yes, indigenous knowledge is vital. Indigenous knowledge of their inherent skills, their cultural setting, long history of their production, and how they perceive their own development in their own lives is extremely important. Now, by knowing this, B4MD can design a social businesses project, which is environmentally conscious, like HFP, in a specific location such as the southern highlands in PNG.*

Reiterating Mr Isa sentiments, Dr Hurditch enhances details as to how acquiring local knowledge influenced the design of HFP, a BoP poverty MDG project: *I think the two commercial strategies that we understood with our dealings with the Southern Highlands farmers was that the channel to production is via women, and the biggest impediment to their commercialization is their supply chain, and their lack of ability to maintain fresh food on the supply chain. Based upon this piece of information, HFP can be conceptualized, in the objective of providing benefits to Australian MNCs and the poor (based around the MDGs), based on a collaborative approach.* On the basis of these comments and subsequent analysis, it is proposed that:

P8: Co-creative Capability encompassing Bricolage, Collective Efficacy, and Knowledge Creation is associated positively to Foreign Supply Chain Partnerships.

In continuing the legitimacy of sourcing native knowledge, Mr Isa explains the imperativeness of involving the Southern Highlands women farmers' knowledge in B4MD's efforts to achieve the MDGs: *PNG women are possibly third of fourth on the PNG ladder of preferences in the social standing and economic value. So knowing this piece of information, B4MD can now design a project with this in mind of empowerment to women. Now, we can also extend this knowledge by also determining which actors, within PNG, are required to ensure the empowerment process to women is achieved. Subsequently, the MDGs can be progressed. You must acquire indigenous knowledge to ultimately achieve the MDGs whilst also being sensitive to the native's cultures, we now avoid tribal conflicts.* Echoing Mr Isa sentiments, Reverend Dr Costello espouses how initiating relationships with economically disadvantaged communities can facilitate revelations necessary to the successful application of a BoP poverty MDG venture in a developing country: *We often think poor indigenous farmers just need our brilliant ideas; consequently, they won't be poor. What we've actually discovered is there are cultural issues, tenure and kinship, and the land issues which are fundamental to their culture. So, what we find is that there are reasons why some of those things act as blocks to our understanding of markets, are none-the-less valuable. These blocks are important to them in terms of their identity.*

When privy to sensitive information derived from native economically disadvantaged communities, Mr Ingram articulates that B4MD safeguards the entrusted knowledge.

Consequently, the organization ensures that the knowledge entrusted is not divulged for commercial gain by outside sources that can then remove the benefit to the community. Mr Ingram enunciates: *The knowledge that these communities have should not be commercially exploited. This is where an actor like B4MD is so important as playing an ombudsman role ensuring the communities benefit and that there's no mission drift by companies extracting value from communities. Companies can gain corporate value in other ways such access to new markets via the poor among other things.* Entrusted native knowledge affirms the significance of the SBE Social Bridging theoretical element as demonstrated by B4MD's continued impartiality while representative to a consortium of Australian MNCs. Accordingly, it is therefore propositioned that:

P9: The Co-creative Capability encompassing Bricolage, Collective Efficacy, and Knowledge Creation is associated positively to Value Outcomes for a MNC Consortium.

Value Outcomes for a Multinational Consortium

BoP ventures operate under a hypothesis of mutual value creation; the greater the ability of a venture to meet the needs of economically disadvantaged communities, the greater the return to partners involved (London et al., 2010). The HFP, B4MD's MDG venture, is predicated upon this BoP assumption. Propositioned is that the HFP can attain two primary value outcomes: the achievement of a sustainable income through horticultural egg and poultry production for the women and children in the Southern Highlands of PNG, whilst representing a profitable and expanding business for a multinational consortium.

B4MD's BoP MDG approach can provide several benefits to the consortium of Australian MNCs, capping of this BoP poverty MDG conceptual model of a Social Business Enterprise (Figure 7.1, p, 153). Heralding perceived commercial benefits, B4MD Board executive, Mr McKeon, emphasized what an Australian consortium of MNCs in PNG can garner: *I believe the ability to acquire additional markets, perhaps a return on investment, and to see local poor communities positively transformed.* Mr KcKeon continues to comment; however, upon another commercial benefit, albeit under-valued and overlooked, the feeling of self-reward to MNC employees: *But, I also think; look, Australian MNCs, let's remove the corporate veil and identify that there are*

a group of people in need. It is a special feeling, for the people, when they know of the extraordinary benefits that have, or might have, accrued from the HFP project imitative. Employees, themselves, feel extremely rewarded by their involvement. You simply can't put a value on that. Augmenting the commercial benefits to an Australian consortium participant, Mr Isa suggests that: *...the benefits to Australian MNCs would of course be access to new and broad based markets, to which previously MNCs would not think of operating in, and over time either a small amount of profit, or, a recovery of their costs or capital outlay. In addition, you, as a MNC, are still supporting local communities while also acting as a good social operator while operating commercially.*

Complementing Mr McKeon and Mr Isa sentiments, Dr Hurditch affirms that: *slow commercial return for the Australian consortium can be of concern, however, the social contribution returned from participating with BM4D can become an overriding factor to a MNC participant.* Interview material derived from Case 1 underpins Dr Hurditch's comments. Mr Isa previously communicated how MNCs are conditioned to overlook how their core business skill can assist in removing the cycle of poverty. As Mr Isa previously stated, When Mohammed Yunus talks about the business call-to-action, that is getting the businesses core competencies involved in social business, he talks about MNCs, or core competencies, not expecting any profit out of a social business venture. This naturally frightens MNCs when these MNCs are more comfortable in CSR.

In support of the Dr Hurditch's statement regarding MNC concern over slow commercial returns, due to the nature of a BoP approach, Agility Logistics Australia CEO, Mr Mick Turnbull, reveals how the MNC agreed to partner with B4MD on a BoP project while cognizant of BoP restraints: *I am aware that this type of (BoP) project will take longer for a financial return which may be a concern for a company, so, too, is B4MD aware. In our discussions with B4MD, it was clearly understood that Agility, being one of the member company partners, would receive a very marginal return upon our commercial financial investment/contribution, or, anything for that matter. However, right from the outset, B4MD ensured that the land owners and indigenous farmers in PNG would remain empowered.*

In light of B4MD's proposed low commercial rates of return for an Australian consortium member, further benefits can prevail. Mr Isa delineates B4MD's expected

value outcomes pertinent to Visy Australia: *The benefit to Visy is, through Amalpack Ltd (to which Visy is a major shareholder of), who are supplying the packaging to HFP at a margin which is of course less commercially. However, and more importantly, Amalpack will still be making money as well as having created a new and assured market for them with regards to HFP. So there are 2 benefits, firstly, Visy are getting involved in a new market, and, secondly, they are also making money out of it, though the money won't come as quickly as when the company would charge at the normal commercial rate of return.* Likewise, Mr Isa advances the benefits to Esso Highlands Limited: *Now, the Esso Highlands gains a benefit from this (HFP) because the company will create stability with the local people with whom the company operates. You see, the local people may be concerned with the company's operations linked to its gas operations, hence, with that stability, Esso Highlands can avoid potential sabotage from the local people.*

Stability in PNG is important to the Australian consortia and B4MD. According to Mr Isa: *Australian MNCs will obtain an enhanced face-lift which is attributed to their now positive interactions with the Southern Highlands communities. This type of brand recognition is achieved by working with the local communities, instead of hoping that CSR (just paying one lump sum of money) will work.* Mr Isa finally concludes by asserting that: *the HFP is a partnership, a collaboration with the women farmers, which is more sustainable, recognizable, transparent, and straight forward, which is again more inclusive in terms of getting the poor involved in main stream economic activities.* Reinforcing Mr Isa's position, Agility Logistics Australia CEO, Mr Turnbull, professes that public recognition as a good corporate company is of commercial value: *...For Agility, our motivations in HFP are more related to empowering the community and achieving our role as a good corporate citizen. As a result, we would prefer to see the poor improve their position than ourselves achieving business improvement. At the end of the day, the customers we're dealing with are of themselves not at the poor market. So, for Agility, it is about empowering the locals to achieve the UN MDGs which will improve their position and make our interaction with the community a stronger interaction.*

In conclusion to the commercial value outcomes associated with a BoP poverty MDG project, Mr Turnbull refers to the commercial advantages to what he considers B4MD

delivers to Australian MNCs: *Benefits can come, for example, in areas where there is civil unrest like PNG in particular, and other areas such as health which can facilitate future workers. Also, future people who may work in their companies may become better employees, healthier employees in fact. And, MNCs want to be recognized for working in such BoP projects. MNCs want to be recognized as good corporate citizens. These are the benefits that I believe B4MD would perceive as benefits to Australian MNCs.*

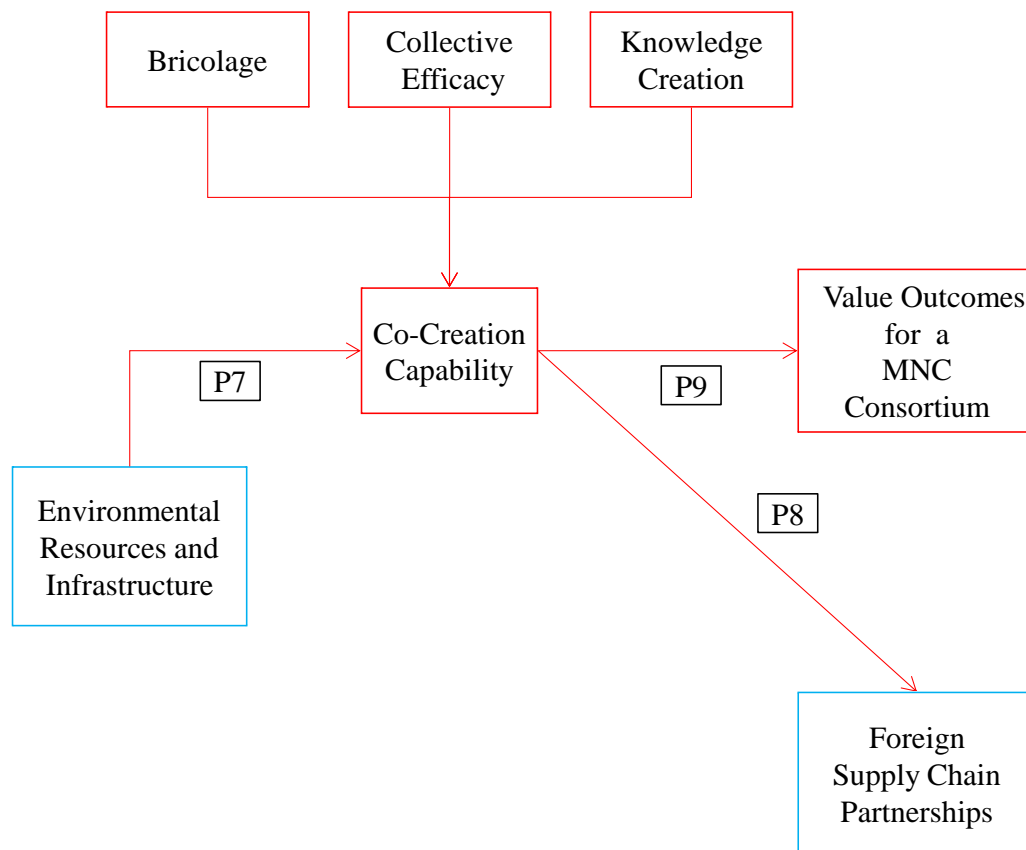


Figure 7.1 - Co-creation Capabilities

In light of the stated value outcomes for an Australian consortium, a noteworthy implication to MNC benefits sourced by a BoP poverty MDG approach is the theoretical construct of Environmental Resources and Infrastructure. As specified in Case 2, the element can prevent a best practice approach to social sustainable development ventures (Seelos et al., 2005). B4MD seem to support these sentiments. Previously, Mr Ingram stated in Case 2 that B4MD strategically chose the brutal terrain

of the Southern Highlands of PNG in the hope of piggybacking on the impending development local infrastructure coming into the provincial region as a consequence of the PNG, LNG project. Of noteworthy importance; however, Business For Millennium Development (2009) concluded that without the advent of the PNG LNG catering contracts, limited to no opportunity would arise for the establishment of the HFP enterprise. Case 1 comments from Mr McKeon reinforce these findings having suggesting that since B4MD is the hub of activity within this social development space, we know who is active – MNC's, NGO's, government's – so, if there is a need for a particular skill, no matter what the conditions of a poor country, the chances are B4MD will know and adapt to those conditions.

Conclusion

The SBE construct of Co-creation Capability is heralded as a prerequisite to BoP approaches (Whitney & Kelkar, 2004). Simanis and Hart (2008a) propose a second generation BoP protocol strategy incorporating co-creation as key to its strategic process. B4MD's inclusive business strategy compliments the authors' views whereby the women farmers are incorporated into HFP's logistical supply chain. The integration of co-creation is considered essential to providing value outcomes for the women farmers while an Australian consortium garners commercial value in the form of new markets, favorable public relations inter alia.

Present material; however, identifies Co-creation Capability as an all-encompassing element for the three theoretical components of Bricolage, Collective Efficacy and Knowledge Creation. Interview background brought to light how the women farmers can act as a necessary input into the supply chain of the HFP enterprise. This strategic commercial approach affirms academic literature by Karnani (2007a), McFalls (2007), and Harjula (2005), whom assert that BoP business models should consider low-income communities primarily as producers thus avoiding the production of duplicate commodities which further enshrines poverty cycles. Upon examination of interview material from B4MD; however, in order to successfully position the women farmers as an agricultural producer, economically disadvantaged communities are identified as a necessary resource, a valuable input (Bricolage), undertaking a key role within the provinces agricultural supply chain. Identification of economically disadvantaged

communities as a key input resource within an agricultural supply chain requires the combined trust of women farmers (Collective Efficacy).

As Bandura (1995) asserts, people with a sense of Collective Efficacy can mobilize their efforts and resources to cope with external obstacles in which they seek. External obstacles can be as Mr Isa declares: *the poor have reasons to be weary of MNCs because MNCs have not understood the rational of the poor such as what is of true value to them (i.e., education, culture and self-empowerment), and how they can significantly contribute to the development of a sustainable business venture like HFP.* Mr Isa's sentiments additionally support the development of a theoretical component of Knowledge Creation, pertaining to Co-creation Capability. As Mr McKeon previously mentioned, Westerner's don't live developing countries, consequently, they don't know what economically disadvantaged communities needs are, what their living environment is like, nor of their life aspirations, thus, social ventures must be worked out together. Furthermore, according to Mr Ingram: *You need to have that continuous feed-back by the community to know how it's all progressing in terms of whether your endeavors are meeting their needs. But, also importantly, once embedded, you'll be in a position to identify other needs and opportunities revolving around the poor.*

According to London (2007), co-creation distinguishes the BoP perspective from typical corporate and development strategies that rely on importing pre-existing business models and technologies into developing country markets. Co-creation can capture the necessity for a company to work in equal partnership with economically disadvantaged communities to imagine, design, launch, and grow a sustainable business (Simanis & Hart, 2008a).

Chapter 8

Discussion

This chapter encompasses nine main sections: A summary of Case 1 - characteristics of a social business enterprise; Case 2 - formation of a consortium of foreign MNCs; Case 3 - Co-creation Capability components of Bricolage, Collective Efficacy, and Knowledge Creation when dealing with women farmers; the final theoretical outcome of a BoP poverty MDG conceptual model of a Social Business Enterprise; comparison of the proposed conceptual model to related theories and other BoP models; research limitations; implications for future research, theory, and practice within the BoP field; and finally the conclusion.

Conferring to Becker (1996), a foremost epistemological benefit of qualitative research concerns how investigators can develop a capacity to recognize the standpoints of respondents. This thesis adopted a qualitative approach incorporating a constructivist ontology approach, interpretivist epistemology, logico-deduction theory development, which culminate in three case studies. This approach also led to the development of the proposed Base of the Pyramid (BoP) poverty Millennium Development Goal (MDG) conceptual model of a Social Business Enterprise (SBE). In the pursuit of generating knowledge and explanations about the ontological components of the social world, an interpretivist epistemology can contribute to the development of new models or theories (Grix, 2004) aimed at improving competing BoP models (Simanis & Hart, 2008b) and social development theories (Hahn, 2009). In the process of progressing extant BoP representations, a logico-deductive approach to theory development (Taber, 2000) and verification was adopted, levelled at building upon existing BoP case study models as promulgated by London (2007). The proposed conceptual model incorporates nine propositions which were developed through an in-depth exploration of the Business for Millennium Development (B4MD) Highlands Fresh Produce (HFP) project. These propositions *help guide subsequent nomothetic research... [and] suggest a road map for future qualitative researchers to follow* (Gioia, Corley, & Hamilton, 2013, pp. 24-25).

In advancing a case study approach to progress BoP knowledge, the process of applied research was adopted. In accord with Neuman (1997), this approach can offer solutions

to problems relating to organizations such as B4MD, an organization affiliated with communities and social movements. As the HFP enterprise is designed to advance the MDGs in PNG, a formative evaluative procedure was chosen, reinforcing Neuman's (1997) argument that this approach is applicable for the monitoring or continuous feedback of programs and assessment of processes. According to Galera and Borzaga (2009), the term social enterprise can be used to refer to either an activity carried out or to particular organizations and institutions. Conceptually, social enterprises can vary greatly at an international level with a number of researchers (e.g., Defourny & Nyssens, 2010) using the two meanings interchangeably (Peredo & McLean, 2006). This thesis takes the position that social enterprises utilize market-driven principles dedicated to improving the lives of economically disadvantaged communities (Yunus, 2006) by adopting BoP principles, under an over-arching framework of the eight MDGs. Recognizing that foreign companies, economically disadvantaged communities, and NGOs can collectively establish BoP ventures that create mutual value, it is proposed that a BoP Social Business Enterprise can mitigate poverty by improving the economic performance of developing countries. The proposed conceptual model is underpinned by innovative MNC cross-sector alliances that can lead to social enterprises being able to source alternative forms of finance. A SBE involves bottom-up methodologies of local co-creation of innovative solutions for mitigating poverty through interactive learning in close dialogue and partnership with economically disadvantaged communities and other stakeholders. It is also proposed that a SBE comprises multifaceted structures and processes involving Market Entry Enablers (MEE), Social Entrepreneurship Orientation (SEO), and Learning Orientation (LO). The subsequent section of this Chapter discusses key features of the proposed model of a SBE which emerged from the three cases reported in Chapters 5, 6, and 7.

Social Business Enterprise

A SBE is regarded as a multidimensional theoretical construct encompassing three dimensions: MEE, SEO, and LO. MEE includes four components: Communication, Empowerment, Strategic Flexibility, and Strategic Bridging. When these elements are present, a SBE is able to enter a developing country. Perhaps surprisingly, extant theories provide limited, if any, explanations as to the most appropriate considerations for entering developing countries (Schuster & Holtbrügge, 2012). Accordingly, low-

income markets are distinguishable from traditional markets (Johanson & Vahlne, 2003), requiring innovative market entry approaches (Schrader, Freimann, & Seuring, 2012). In line with the social entrepreneurship model of Mort et al. (2003), SEO encompasses four components: Social Opportunity Recognition, being Entrepreneurially Virtuous, Judgment Capacity, and Entrepreneurial Orientation. The Lumpkin and Dess (1996) representation of Entrepreneurial Orientation include risk-taking, proactiveness, and innovativeness. Of note, Mort et al. (2003) advocated that not-for-profit organizations create and nurture distinctive capabilities designed for social value outcomes. What is more, the role of innovation is underpinned by a process of knowledge acquisition and integration. A third significant feature of SBE is LO (Sinkula et al., 1997), which involves a Commitment to Learning, Open Mindedness, and holding a Shared Vision (Tobin, 1993). In distinguishing the proposed conceptualization of SBE from other social enterprise characterizations, terminology remains vague (Bielefeld, 2009) in contemporary literature (Galera & Borzaga, 2009). For instance, the terms social enterprise and social venture are used interchangeably (Agard, 2010), leading to a degree of confusion and contention. The conceptualization of SBE provides for a broader analysis in response to the MDG 8 (develop a global partnership for development) and how a BoP approach can assist in developing global partnerships that address the social needs of developing nations. Accordingly, it is proposed that the theoretical constructs of MEE, SEO and LO (Figure 8.1) are critical components of SBE.

Figure 8.1 shows the interrelationships between these constructs and how each of the four theories that underpin this thesis inform different segments of the proposed model. Respectively, Dynamic capabilities theory speaks to the interrelationship between MEE and SBE, as well as the links between Co-creation capability, Value Outcomes for a MNC Consortium, and Foreign Supply Chain Partnerships; Contingency theory informs the interrelationship between SEO, LO, and SBE; and Institutional theory and the NRBV help to explain the relationship between Environmental Resources and Infrastructure, and Consortium Building Capability.

Thus, it is proposed that:

- P1 Market Entry Enablers is associated positively to Social Business Enterprise (SBE).

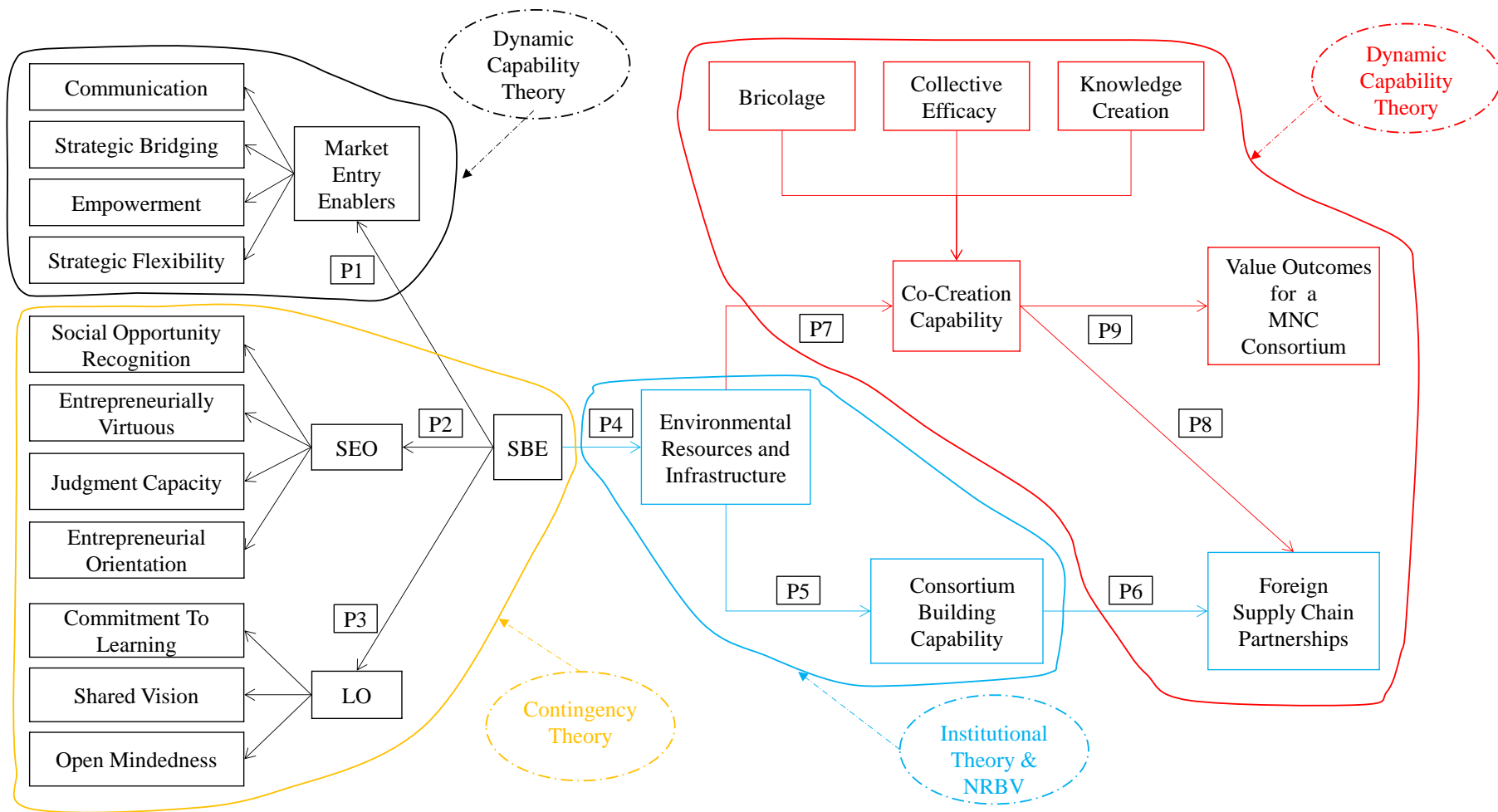
- P2 Social Entrepreneurship Orientation (SEO) is associated positively to Social Business Enterprise (SBE).
- P3 Learning orientation (LO) is associated positively to Social Business Enterprise (SBE).

The Pivotal Role Played by a Consortia of Foreign Multinational Companies

Formation of a foreign MNC consortia in developing countries is vital to BoP poverty MDG projects. As a central component of cross-sector partnerships geared towards mitigating poverty and achieving the UN MDG 8, three BoP constructs (i.e., Environmental Resources and Infrastructure; Consortium Building Capability; and Foreign Supply Chain Partnerships) were identified. A discussion of the three constructs follows.

Environmental Resources and Infrastructure involves a BoP approach enabling social enterprises such as B4MD to encourage the development of market-based poverty MDG projects that align with the local environments of developing countries. B4MD established an Australian consortia of multinational companies (MNCs) with which to partner along with the Southern Highlands women farmers. This consortium of MNCs complemented Papua New Guinea's extant external environment. The present case detailed the Consortium Building Capability involved in assembling an Australian consortium of MNCs.

In response to the PNG's government infrastructure reform, B4MD formulated the HFP project, co-invented within the context of a trusted cross-sectorial MNC relationship. Foreign supply chain participation is premised upon generating bottom-up development. Based on London (2007), this participation involves foreign ventures entering into developing countries to work with economically disadvantaged communities. This is in line with institutional theory, which explains how a developing country's environment (e.g., extant resources and infrastructure) can limit organizational maneuvering (Hanson, 2001). Firm strategy, structure, and capabilities are regarded as emerging from the interaction of an organization's external and internal environmental (Selznick, 1996).



Note: SBE: Social Business Enterprise; SEO: Social Entrepreneurship Orientation; LO: Learning Orientation; MNC: Multinational Corporation

Figure 8.1. A BoP poverty MDG Conceptual Model of a Social Business Enterprise

The Natural Resource Base View (NRBV) compliments institutional theory by proposing that sustainable competitive advantage is realized when firms consider and build from the challenges and constraints that a business natural environment possess (Hart, 1995). The establishment of a consortium of MNCs emerges when there is an alignment with the needs and context of a developing nation's environment (infrastructure & resources). Complementing the NRBV (Hart, 1995) and institutional theory (Van de Ven et al., 2013), development of MNC consortia is considered key to progressing the UN poverty MDG through increased developing country economic activity. Previous BoP literature on model formation (Prahalad, 2004; Simanis & Hart, 2008b) focused upon singular companies undertaking BoP ventures. However, this thesis posits that cross-sectorial partnerships are necessary for augmenting developing country economic growth and activity, by way of a BoP application (Figure 8.1, p. 160).

Consequently, it is proposed that:

- P4 A Social Business Enterprise (SBE) is associated positively to Environmental Resources and Infrastructure.
- P5 Environmental Resources and Infrastructure is associated positively to Consortium Building Capability.
- P6 Consortium Building Capability is associated positively to Foreign Supply Chain Partnerships.

Co-creation Capability with the Economically Disadvantaged Communities

Co-creation Capability involves collaborating and co-inventing with economically disadvantaged communities as demonstrated by the Southern Highlands women farmers' project. Co-creation can be regarded as a SBE capability incorporating the three competencies: Bricolage, Collective Efficacy, and Knowledge Creation. Bricolage involves the combination or inclusiveness of resources – social skills with MNC core business skills – which are crucial in progressing the poverty MDG. B4MD holds the belief that women farmers can contribute positively in BoP projects by providing valuable input and as agricultural producers and suppliers to the HFP enterprise, thus providing a sustainable competitive advantage. Upon such engagements, B4MD works towards fostering Collective Efficacy with economically disadvantaged communities, a key to BoP project success. The NGO protects the native knowledge of economically disadvantaged communities from potential exploitation by MNCs, thereby ensuring confidence in their joint capabilities to accomplish set goals, while withstanding

perceived opposition and setbacks (Bandura, 1995). Knowledge Creation represents the essential role of managing recently acquired stakeholder knowledge. Without B4MD's knowledge base and skill set, MDG progression becomes difficult. Additionally, the relationship between B4MD and the MNC enables learning and possibilities for leveraging core business skills.

There are a number of significant value outcomes for MNCs that participate in BoP ventures. One commercial benefit involves companies being able to source new and broad-based commercial markets that would otherwise be challenging owing to limited opportunities to leverage core business. Another benefit includes MNCs being able to forge profits in low-income markets, albeit at an initial low rate of return. Through cross sector partnerships, firm capital outlay is significantly reduced. A further benefit is associated with MNC employees experiencing a sense of self-reward, as an outcome of supporting local communities, and empowering and acting as good social operators. Finally, MNCs can receive public recognition, brought about by their involvement to accelerate the poverty MDG. Institutional and contingency theories provide a sound basis for the Co-creation Capability. The HFP enterprise is inextricably tied to its external (socio-political) environment with ecological constraints restricting firm maneuverability (Hanson, 2001). In line with contingency theory, the process of co-creation requires a necessary fit with stakeholder understanding to achieve corporate social performance.

According to researchers (e.g., London & Anupindi, 2012; Silverthorne, 2007), incorporating the voices of economically disadvantaged communities is crucial in social venture design. The World Business Council for Sustainable Development (2004), London (2007), and Simanis and Hart (2008b) advocate collaborative stakeholder efforts when designing BoP ventures. Accordingly, the proposed SBE conceptual model underscores the crucial role of stakeholder co-creative efforts. In illustration, Australian MNCs undertook commercial dealings through B4MD to assist women farmers become agricultural producers and suppliers to the HFP enterprise. Critical in this process was including the Southern Highlands communities in the design of the BoP project, thereby ensuring that the poverty MDG could be achieved in a culturally and sensitive manner. Accordingly, the likelihood of attaining sustainable competitive advantage increases by involving and regarding the Southern Highlands communities as valuable farmers and partners in the value chain (Figure 8.1, p. 160). Therefore, it is proposed that:

P7 Environmental Resources and Infrastructure is associated positively to Co-creation Capability.

P8 Co-creative Capability, encompassing Bricolage, Collective Efficacy, and Knowledge Creation is associated positively to Foreign Supply Chain Partnerships.

P9 Co-creative Capability, encompassing Bricolage, Collective Efficacy, and Knowledge Creation is associated positively to Value Outcomes for a MNC Consortium.

In conclusion, the formulation of the current nine propositions principally addresses Research Question 3 that when utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between Social Business Enterprise, MNC, co-creation, and value outcomes; as well as, attending to RQs 1 and 2.

A BoP poverty MDG conceptual model of Social Business Enterprise

In this thesis, the overarching question is: In what ways, if any, do NGOs utilize the BoP model when working with MNC consortia to meet the UN first MDG of eradicating extreme poverty and hunger? The proposed conceptual model (Figure 8.1, p. 160) provides an understanding as to how BoP approaches can achieve the UN MDG 8 (develop a global partnership for development) through the involvement of foreign firms partnering with NGOs when entering developing countries (London, 2007). The proposed model identifies key social entrepreneurship elements that target economic expansion, designed for poverty MDG advancement and possible sustainable competitive advantage. Other key elements involve characteristics of a SBE: Environmental Resources and Infrastructure, Consortium Building Capability, Foreign Supply Chain Partnerships, Co-creation Capability, and Value Outcomes for a MNC Consortium.

By tapping into a developing country's extant resources and infrastructure, foreign MNCs can develop a platform for continued business growth. This view is consistent with the NRBV which proposes that businesses need to take into account the challenges and constraints inherent in a firm's natural environment. As shown in Figure 8.1 (p. 160), co-creation is a key consideration for BoP approaches (Simanis & Hart, 2008b). The collaborative process represents associations with economically disadvantaged

communities and MNC consortia building, the process of which is line with contingency theory (Husted, 2000; Van de Ven et al., 2013).

Comparisons to Related Theories and other BoP Models

A number of poverty relief theories (Kakwani & Pernia, 2000) and models (Torres & Momsen, 2004) have been promulgated over the previous three decades. Market-based models to poverty alleviation include micro-finance (Armendáriz & Morduch, 2010); micro, small, and medium-scale enterprise assistance (Abor & Quartey, 2010); value chain initiatives which emphasize raising the competitiveness of entire industries (World Business Council for Sustainable Development, 2004); and enabling environment programs (London, 2007). These poverty relief models; however, have targeted policy reforms to transition developing countries to a more Western legal and regulatory business environments (Craig & Porter, 2002; London, 2007). In relatively recent times, Wilson and Wilson (2006) advocated that governments should devise strategies that encourage and nurture private business to mitigate poverty through government policies. For example, strategies involving inter-sectorial backward linkages, pro-poor growth, poverty reduction strategies, and medium-term development strategies can assist local enterprises to achieve sustainable development. Notwithstanding, research involving market-based theories suggest that these strategies have limited long-lasting effects (Hahn, 2009).

In pursuit of advancing the MDGs, research into social enterprises (Mair et al., 2006) and the application of BoP approaches (Prescott & Nelson, 2003) has gained momentum. However, it should be noted that the extant literature offers limited theoretical or practical guidelines (Viswanathan & Sridharan, 2012). The findings of the present thesis contribute to present BoP models such as the 12 principles for innovation to a BoP approach (Prahalad, 2004); second generation BoP protocol (Simanis & Hart, 2008b); World Business Council for Sustainable Development (2004) sustainable livelihoods project; and the 6 core principles to a BoP model (London, 2007) which is explained below.

Prahalad's (2004) 12 principles model challenges for-profit firms to be innovative and identify methods to profitably serve developing countries (Landrum, 2007), while mitigating poverty (D. A. Pitta et al., 2008). Landrum (2007) suggested that a fundamental premise of Prahalad's approach involved MNCs ascertaining what

economically disadvantaged communities want as consumers, thus enabling MNCs to pinpoint profitable ways of meeting such demands. This thesis posits that co-creation is a key element to BoP approaches, contributing to the legitimacy of the process. Bonsu and Polsa (2011) opined the necessity of collaborative stakeholdership in BoP ventures. Similarly, contingency theory espouses an alignment of parties (economically disadvantaged communities with MNCs) when realizing corporate social performance (Husted, 2000). Economically disadvantaged communities must be a part of any social venture solution, as the underprivileged are themselves a valuable resource.

The second generation BoP protocol (Simanis & Hart, 2008b) derives from case projects such as the 2005 SC Johnson BoP initiative in Kenya. The model embeds the principles of co-invention and co-creation. Designed to garner the input of economically disadvantaged communities in determining their own needs, the protocol recognizes that MNCs rarely acquire sufficient discernment of the poor's desires. Taking this perspective into consideration, the proposed model propounds that firms have a critical role to play in progressing the UN poverty and developing global partnerships MDGs (United Nations, 2003), concurrently fulfilling the BoP perspective. Thus, highlighting the prime role exogenous ventures have to play in developing countries (London, 2007). Moreover, this thesis contributes towards our understanding of the role of knowledge management and how MNCs can apply their core business skills (Turnbal, 2011) in such a way as to contribute positively and in accord with external resources and infrastructure of a developing nation (Ingram, 2008).

The World Business Council for Sustainable Development (WBCSD) (2004) model encompasses unifying social and financial values, which are founded upon corporate social responsibility (CSR). As such, economically disadvantaged communities are regarded as contributors within a firm's value chain. The WBCSD's guide contains six learning journeys undertaken by existing WBCSD member companies. The proposed model, in contrast, postulates that profit-driven businesses can advance the poverty MDG, which is not premised upon CSR. It is arguable as to whether CSR can contribute to mitigating the poverty MDG (Frynas, 2008).

The London (2007) model is premised upon BoP literature, and involves six core principles that, when brought together, are distinct from other poverty mitigation methods. The principles are external participation, co-creation, connecting local with

non-local, patient innovation, self-financed growth, and focusing upon what is right for the BoP market segment. Each element is deep-rooted in one of the ensuing components: design, implementation, and performance of a firm's business environment. This thesis builds-upon London (2007) through the identification of SBE, and the application of dynamic capabilities such as Co-creation Capability and Consortium Building Capability.

These models have their limitations as they are derived from case projects. Their reproducibility and scalability need to be explored through further research (Simanis & Hart, 2008b; World Business Council for Sustainable Development, 2004). Context dependency of developing countries can hinder world-wide replication (Seelos et al., 2005). According to Seelos et al. (2005), the entrepreneurial process of discovery can be considered key for global replication and scalability, to which extant market-based investigations provide insufficient insights (Seelos & Mair, 2007b). The proposed conceptual model embodies the Seelos et al. (2005) concept of the entrepreneurial process of discovery. Dynamic capabilities act as key drivers for fostering a native entrepreneurial processes of discovery. Developing country markets require firms to develop capabilities that mirror local community aspirations (Hart & Sharma, 2004). Accordingly, it is argued that the entrepreneurial process of discovery is context dependent, and that the foreign MNC core business skill needs to build upon a developing country's extant resources and infrastructure in order to advance the poverty MDG.

Limitations

As discussed below, this thesis encompasses four main limitations: the complexities involved in generative theory, generalizability of single case findings, and obtaining information from a single MNC rather than multiple MNC sources, and the application of one-to-one interview techniques.

Generative theory. Over two decades ago, Schwandt (1994) asserted that while constructivist theory can distinguish between the real and the true, this paradigm, however, does not seek a single truth, universal, and lasting outcome. Neither human realities nor real worlds are unidimensional. In an examination of the case study method, Mitchell and Charmaz (1996), and White (1990) stated that such techniques often contain a substantial element of narrative which can typically approach the

complexities and contradictions of real life. Such narratives; however, can be difficult or impractical to summarize into general propositions and theories. Schwandt (1994) further asserted that the constructivist approach assumes that what we take as real, as objective knowledge and truth, is premised subject to our own perspective. To offset this restraint in the present thesis, multiple interviews were conducted across a wide spectrum of managerial levels, encompassing the Chairman and CEO of B4MD, senior board executives, and Directors of Projects rather than relying on a single source of information. Overall, nine interviews over an approximate 12 month period were carried out.

Multiple interviews were aimed at strengthening research findings in a way that multiple experiments might strengthen experimental research findings (Benbasat et al., 1987; Yin, 1994). These interviews were conducted over an extended period of time and punctuated by lengthy periods of time. Secondary data were also acquired (e.g., the Southern Highlands feasibility study) aimed at balancing any potential narrative bias from interviewees. Participants were also given an opportunity to check case material, ensuring authenticity, non-bias, and reliability of observations and interpretation of facts.

Single case generalizability. As alluded to earlier, the present thesis adopted a case study approach for a number of reasons. Despite alleged weaknesses in the application of case studies (Yin, 2003), this thesis explores the uniqueness of a case (Simons (2009), and as an *instance in action* (Smith (1978) aimed at understanding a *bounded system* (MacDonald and Walker (1975). In other words, the current thesis sought to examine pertinent phenomena within context rather than independent of them. In Australia, there are relatively few MNCs working with NGOs utilizing the BoP model. Concentrating on a single case involving this type of relationship reported in this thesis is rare. Accordingly, it would appear that a case study approach is the best strategy to address the overarching research question (Hartley, 2004).

A single case denotes a single set of empirical circumstances, such as a single experiment. Findings can be deemed generalizable to other empirical settings when additional cases test and confirm those findings in other settings (Lee, 1989). In addressing this limitation of $n = 1$, methodological consideration was afforded. Seven initial interviews, with two subsequent interviews for data clarification, with each

participant, over a 12 month period was afforded, leading to three case studies and the development of a BoP poverty MDG conceptual model of a Social Business Enterprise.

Single versus multiple sources of data collection. One participant from an Australia MNC was interviewed, representing the value outcomes of this company. In line with Flyvbjerg (2006), in order to avoid potential bias toward generalized outcomes, further interviews might have provided more detailed insights as to the value outcomes for a MNC consortium associated with the HFP project. Responding to this limitation, the HFP enterprise feasibility report assisted in providing additional commercial information as to the potential benefits to participating businesses.

One-to-one interview techniques. According to Johnson and Onwuegbuzie (2004), one-to-one interview techniques can be receptive to the pervasive influence of the present researcher's personal bias and idiosyncrasies. In an effort to offset this shortcoming, information in writing was obtained. Access to the Southern Highlands feasibility report assisted in the formation in new knowledge sourcing. Verification of primary information by phone, subsequent interviews, and email was possible, ensuring that case material was interpreted correctly.

Implications for Research

As specified below, nine implications for future research emerge from the findings of this thesis. First, the theoretical element of Strategic Bridging, a component of MEE, acts a process for organizations entering developing countries through a BoP approach. Future research can involve extending the MEE construct that examines how organizations can enter low-income markets utilizing BoP strategies (Faulconbridge, 2013) and should include effective strategies in encouraging stakeholders to undertake a specific bridging role (Polonsky, 2001). Additionally, researchers can determine whether Strategic Bridging is viewed as a function (Shah, 2011) or as a characterization of collaborative alliances between firms and NGOs (Sharma et al., 1994; Westley & Vredenburg, 1991). Second, the conceptual model addresses MDG eight, whereby MNCs in developed countries work in partnership with developing countries in advancing MDGs 1 to 7 (United Nations Development Programme, 2006). As a result, future research can widen international business literature on alliance building (European Union, 2001) as extant information lacks theoretical insight and systematic

empirical evidence on MNCs entering developing countries (Schuster & Holtbrügge, 2012).

Third, the present conceptual model illustrates how BoP ventures can mobilize developing countries extant resources despite their resource and infrastructure constraints. According to Desa and Basu (2013), social ventures regularly operate in environments where access to quality resources at reasonable costs is difficult. There seems to be is limited theory and empirical development in the social entrepreneurship literature on the different approaches that social entrepreneurs can adopt in mobilizing critical resources. Fourth, the Co-creation capability of the SBE introduces Bricolage as a combination of extant resources (i.e., social skill with MNC core business skill) as key concept to BoP MDG approaches. The term social enterprise can be defined as either an activity undertaken or to particular organizations and institutions (Galera & Borzaga, 2009). As a result, future research can examine whether the concept of Bricolage can be used as an approach to analyzing social enterprise creation and development (Di Domenico et al., 2010).

Fifth, present findings introduces a concept of a collaborative partnership between NGO, B4MD, and a consortium of Australian MNCs, in developing the HFP project. Therefore, research can investigate the development of non-market partnership such as business and NGO collaborative approaches that aim to support poverty alleviation (Schuster & Holtbrügge, 2012). Research on business solutions for poverty mitigation, by BoP application, is in its formative stages, therefore, additional research into developing coherent and comprehensive set of concepts should be examined (Halme, Lindeman, & Linna, 2012). Sixth, the conceptual model introduces SBE capabilities (i.e., Co-creation Capability and Consortium Building Capability), which are key to successful BoP application in developing countries. As such, Dahan et al. (2009) promoted further examination upon competencies and resources that NGOs can bring to MNC partnerships. Seventh, the theoretical construct of Environmental Resources and Infrastructure is consistent with Seelos et al. (2005), that a developing nation's extant resource environment can hinder global replication and scalability of social development projects. Therefore, future research should explore the applicability of the proposed conceptual model into other agricultural farming sectors in developing countries, such as India (Arora & Romijn, 2012), Brazil (Hall, Matos, Sheehan, & Silvestre, 2012), and China (Reardon, Barrett, Berdegúé, & Swinnen, 2009).

Eighth, research findings are specific to the context of PNG. Further analysis needs to be considered in determining the extent of the applicability of the conceptual model. For example, is the model transferable to other developing countries with similar cultures or national property rights? Finally, given the importance of Collective Efficacy (a co-creative element) to economically disadvantaged communities collaborating with MNCs, future research should investigate how government and industry can improve trust by engaging economic disadvantaged communities in policy development, particularly that pertaining to NGO, social entrepreneurs, and philanthropy (Hall & Matos, 2010).

Implications for Theory

Institutional theory has matured, with new and rich insights such as stakeholder engagement (Muller & Kolk, 2010) available for analysis (Bruton et al., 2010). In regards to BoP business models, Hall et al. (2012) noted that there are opportunities to examine the interplay between internal and external forces that drive or constrain inclusive innovation. This research which might have a conceptual model for theory building content, has the potential to have a significant impact also on policy and practice globally (George, McGahan, & Prabhu, 2012).

Sustainability of a BoP venture is reliant on the interaction and adaptation between a developing country's external (socio-political) environment (Fligstein, 1990) and that of a firm's internal (socially responsible firm behavior) environment (Campbell, 2007). Van de Ven et al. (2013) stated that: *in essence, contingency theory proposes that performance outcomes of an organizational unit are a result of the fit between the unit's external context and internal arrangements* (p. 394). The organizational world is changing and theories need to reflect this change. Accordingly, extant theories need to take stock of the importance of behavioral adaptations to ecological constraints and the interrelationships between governments, NGOs, MNCs, and economically disadvantaged communities, as demonstrated by the present findings. These interrelationships and adaptations can contribute to the co-creative development of BoP projects. Institutional theory complimented by contingency theory can help explain a social enterprise's behavior manoeuvring (Bruton et al., 2010), designed for dynamic landscapes (Van de Ven et al., 2013).

Contemporary literature (Barry, 2011) supports this notion. Barry advocated that future research should identify approaches that integrate the analytical empirical and modeling approaches to organizational complexity. In the context of developing country dynamic landscapes (Sirmon et al., 2007), Van de Ven et al. (2013) suggested that: *we optimistically think that the sky is the limit and the future looks rosy for organizational contingency theory because market and science demands will pull organizational researchers (perhaps grudgingly) to address these issues and create high-performance organization designs for dynamic landscapes* (p. 397). In response to these views, adoption of contingency theory for this thesis is not only consistent with these notions, but also shows how the *fit* between a firm's strategy (stakeholder alignment) and structure (the flow of organizational knowledge) is essential for achieving corporate social behavioral performance. Innovative collaborative partnerships are another important feature of BoP projects.

According to Hart and Dowell (2011), a key area for further exploration involves identifying NRBV capabilities that enable firms to identify, develop, and then create value from participating in developing countries. Research underpinned by the NRBV can help address why particular firms are more likely than others to develop the capabilities that incorporate proactive environmental strategies (Hart & Dowell, 2011). Identification of the central role played by Consortium Building Capability, Environmental Resources and Infrastructure, and global partnerships are other key considerations.

London and Anupindi (2012) observed that the BoP perspective provides insights into the range of capabilities required by organizations to establish sustainable business models. Relatively few studies (e.g., Desa & Basu, 2013) incorporate dynamic capabilities theory to understand the underlying factors associated in strategic alliances, inter-firm learning, market entry strategies, and environmental capabilities during times of environmental turbulence. The SBE Co-creative Capability components of Bricolage, Collective Efficacy, and Knowledge Creation contribute to dynamic capability theory. For example, B4MD's capacity to nurture and foster the collective trust of the Southern Highlands women farmers assisted in the design of the HFP enterprise which focuses upon social development outcomes. Additionally, the utilization of the knowledge and insights of community elders, particularly pertaining to how local agricultural

production is undertaken by women, coupled with the provinces inability to maintain fresh food in the supply chain, lead to the conceptualization of the HFP enterprise.

The formulation of a BoP poverty MDG conceptual model of Social Business Enterprise contributes significantly to the wide-ranging field of social entrepreneurship, particularly in terms of the definitional debate within which the terminology remains imprecise (Bielefeld, 2009). The constructs of social enterprises, social ventures, and social entrepreneurship have been used interchangeably (Defourny & Nyssens, 2010). Owing to the definitional confusion, Certo and Miller (2008) stressed that distinct and well-defined definitions were needed.

In conclusion, it can be argued that the model that emerges from the present thesis contributes to the BoP literature, theory, and conceptualization in a number of ways. First, the proposed model shows the interrelations between and helps to integrate the four theories that underpin this research (Figure 8.1). Second, as shown Table 2.2, each of the BoP models involve inherent limitations including the absence of any reference to the development of MNC consortia capacity, a lack of clarity about keeping NGOs at arms-length from solutions concerning BoP projects, and making no reference to the importance of leveraging firm core-skill business partnerships that complement a developing nation's environmental resources and infrastructure along pertinent supply chains. Accordingly, the proposed model helps to address these limitations by highlighting the important role played by knowledge management; demonstrating the centrality of co-creation capability in delivering value outcomes for MNC consortia and in helping to assemble strategic foreign supply chain partnerships; and identifying the key ingredients underlying SBEs established to undertake BoP projects that build upon the environmental resources and infrastructure of developing countries.

Implications for NGOs and MNCs

Findings of this thesis are triangulated against existing literature to advance a BoP poverty MDG Social Business Enterprise model. From an applied perspective, the proposed model (Figure 8.1, p. 160) is useful to MNCs, NGOs, and governments when formulating market-based approaches geared towards social development in developing nations. Six major implications emerge from this thesis. Market Entry Enablers, Social Entrepreneurship Orientation, and Learning Orientation are three key components or

characteristics of SBE. Collaboration between NGOs and MNCs is necessary for the successful implementation of BoP strategies. Environmental Resources (e.g., social capital) and Infrastructure (e.g., roads) enables NGOs to design and create BoP projects. A consortium of MNCs with specific core business skills (e.g., Visy Australia in product packaging; Agility Logistics Australia which specializes in logistics) are key to creating a BoP project, complementing the existing resources and infrastructure of a developing nation. Foreign business partnerships are essential to achieving the BoP principle of extraneous firms entering a developing nation. Finally, in order to advance social development and value outcomes for participating MNCs, it is critical to include *the voice of the economically disadvantaged communities* (co-creation) when designing BoP projects, to tap into existing resources (e.g., women farmers), as well as garnering trust and source local knowledge.

Non-government organizations can play an active role within the market-based methodologies to social development (Webb et al., 2010), and are considered crucial to BoP approaches (London & Hart, 2004). This thesis identifies that NGOs, like B4MD, play a necessary and vital role in the implementation of such social development approaches. The Strategic Bridging and Communication elements of Market Entry Enablers (MEE) can enable NGOs to act as independent third parties between economically disadvantaged communities and MNCs in order to assemble a BoP project. Additionally, Social Entrepreneurship Orientation (SEO) theoretical components of Social Opportunity Recognition and Judgment Capacity can assist NGOs to identify BoP opportunities in developing nations that MNCs overlook.

Finally, the core business skills of MNCs can complement a developing country's extant external environment. For example, B4MD recognized how the cultivation of vegetables and fruits in the Southern Highlands province's terrain could be realized through a partnership of MNCs. Moreover, the formation of MNC cross-sector alliance partnerships can not only help to reduce capital outlay, but also decrease the financial burden of NGOs in their quest for social good and community partnerships. Traditional not-for-profit organizations are reliant on grants and donations to achieve social outcomes (Mook et al., 2012).

Nielsen and Samia (2008) asserted that the BoP framework does not lead to an understanding of a comprehensive set of system components for firms to enter low-

income nations. In the context of providing some guidance for profit-driven organizations entering developing countries by BoP application, the present findings highlight that MNCs take into account the availability of extant Environmental Resources and Infrastructure of the nation, while considering the importance of co-creating with economically disadvantaged communities. For example, the Co-creation Capability element of Bricolage demonstrates how B4MD involved the Southern Highlands women farmers to act as key participants and producers within the HFP value chain. This involvement ensured that vital community knowledge was obtained and deployed, leading to the advancement of the poverty MDG. Furthermore, the Co-creation Capability components of Collective Efficacy and Knowledge Creation, coupled with the Consortium Building Capability, appear to contribute to low-income market entry modes for MNCs. The collective trust of the women farmers is considered key for assisting MNCs to achieving value outcomes including attaining public recognition as a good corporate company.

Consistent with MNC market entry approaches, Dahan et al. (2009) acknowledged that MNCs face a range of challenges when entering developing countries. For example, adaptation of MNC business models to local markets' cultural, economic, institutional and geographic features can be potentially problematic. To address these challenges, Dahan et al. (2009) advocated that MNCs collaborate with NGOs to facilitate new modes of value creation. In such cross-sector partnerships, parties are positioned to contribute complementary capabilities that neither could deliver alone. Echoing these sentiments, London et al. (2010) believed that fostering relationships with local NGOs and other civil society organizations is an important component of strategies. These partnerships can assist in providing finance; technical and other resources; as well as help to build initial trust given the limited opportunities and experiences economically disadvantaged communities have when it comes to transacting with businesses based in first-world economies.

Implications for Government Policy

The PNG government has adopted a pro-poor growth strategy utilizing a medium-term development plan: 2011 – 2015 (PNG Government., 2010), which acts as an overarching framework for fiscal, economic, and social development reform (Gibson, Rozelle, Zealand, & Bay, 2002). This strategy is recognized under the UN country

program (UNDP, 2007). Identification of a BoP project, such as the B4MD HFP project was realized as a result of PNG's construction of newly public roads linking the Southern Highlands province to other PNG coastal areas (Business For Millennium Development, 2009). Coupled with the will and support of the Southern Highlands communities, progression to advance the MDGs by a BoP approach was achieved. Environmental Resources and Infrastructure underpins the necessity of commencing BoP projects that build from a firm's external environment. In addition to, the Co-creation Capability element of including *the voice of economically disadvantaged communities* reinforces this thesis postulation where involvement of local communities living in subsistence can facilitate trust in market-based approaches aiming to progress the MDGs.

Identification of external resources and infrastructure is key to a successful market-based approach for accelerating social development (Seelos et al., 2005). For example, B4MD's feasibility study of the Southern Highlands extant resources and infrastructure underpinned the design and development of the HFP project. According to Hahn (2009), government strategies that can offer and facilitate profit driven private sector engagement is necessary for unlocking the economic potential of developing countries. Arora and Romijn (2012) suggested that government policies play a pivotal role in augmenting commerce designed to advance social outcomes. Notwithstanding, these researchers indicated that governments of developing nations tended to promulgate policies in line within the IMF, WTO, and the World Bank. Invariably, fulfillment of these policies usually led to a measured withdrawal of support to non-priority sectors such as agriculture, health, and education. While such support could help to achieve fiscal discipline at a macro-level, there were negative ramifications for economically disadvantaged communities including the erosion established trust towards governments and business (Hall et al., 2012). Perhaps not surprisingly, Arora and Romijn (2012) stated that it was essential to garner collective efficacy (trust) amongst economically disadvantaged communities as a first step for eradicating poverty.

In conclusion, this thesis contributes to the BoP, social entrepreneurship, and social enterprise literature by developing a conceptual model of a Social Business Enterprise that builds from London (2007), incorporating elements of MEE, SEO, and LO. The present research supports studies (Halme et al., 2012) which involves identifying a coherent set of BoP principles. For example, it is essential to understand that a

developing country's extant Environmental Resources and Infrastructure is key to the development of a BoP approach. Following which, NGOs are able to develop dynamic capabilities, which comprises of Co-creation and Consortium Building of MNCs.

Perhaps the most important contribution of this research is that economically disadvantaged communities needs are to be involved in the co-creation process as they are considered a valuable resource, providing local knowledge and support. Nevertheless, understanding ways of alleviating poverty continues to remain unclear. The present thesis goes some way to derive a conceptual model which helps mitigate destitution. However, the conceptual model needs to be tested, replicated and generalized, to determine the validity of the BoP approach.

Critical Insights

This thesis spawns a number of critical insights pertinent to the development of a BoP poverty MDG conceptual model of a Social Business Enterprise. For example, highlighted was the need of NGOs, such as B4MD, to pipeline the core skill of all stakeholders required for a BoP poverty MDG venture. By acting as an infrastructure for discourse, this NGO is well-appointed to foster and channel a triad of stakeholders' (NGO, MNC consortia, and the economically disadvantaged) core skill to frame a BoP poverty MDG venture. Six further insights are key to the study of BoP poverty MDG models.

First, SBE is a multidimensional theoretical construct encompassing three dimensions: MEE, SEO, and LO. Of note, is the identification of the four theoretical components of MEE (Communication, Empowerment, Strategic Flexibility, and Strategic Bridging) which contribute to the definitional characterization of social enterprise that aims to progress the MDGs by BoP utilization. Second, the formation of foreign MNC consortia in developing nations is pivotal to mitigating poverty and achieving the UN MDG 8. The process of MNCs leveraging upon each other's core business skill into delivering MDG outcomes is considered pivotal in delivering successful BoP outcomes. Third, developing countries extant environmental resources and infrastructure encourage development of market-based poverty MDG projects. A case in point involves, in response to the PNG's government infrastructure reform, B4MD assembled the HFP project, co-conceived within the context of a trusted cross-sectorial MNC relationship. Four, by tapping into a developing country's extant resources and infrastructure, foreign

MNCs can develop a platform for continued business growth. This view is consistent with the NRBV which proposes that businesses need to take into account the challenges and constraints inherent in a firm's natural environment. Five, co-creation is key to successful BoP ventures. Highlighted in this case is the critical role of including the Southern Highlands communities in the design of the BoP project, thereby ensuring that the poverty MDG could be achieved in a culturally and sensitive manner. Accordingly, the likelihood of attaining sustainable competitive advantage increases by involving and regarding the Southern Highlands communities as valuable farmers and partners in the value chain. Finally, the attainment of commercial benefits by BoP application is demonstrated. Illustrated is how companies can source new and broad-based commercial markets that would otherwise be challenging owing to limited opportunities to leverage core business. Another benefit includes MNCs being able to forge profits in low-income markets, albeit at an initial low rate of return. Through cross sector partnerships, firm capital outlay is significantly reduced.

References

- Abor, J., & Quartey, P. (2010). Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics*, 39(6), 215-228.
- Agard, K. (2010). *Leadership in nonprofit organizations: A reference handbook* (Vol. 1). Thousand Oaks, California: Sage Publications.
- Ahuja, G. (2000). The duality of collaborations: inducements and opportunities in the formation of inter-firm linkages. *Strategic Management Journal*, 21(3), 317-343.
- Alavi, M., & Leidner, D. (2001). Review: Knowledge management and knowledge management systems: Conceptual foundations and research issues. *MIS Quarterly*, 25(1), 107-136.
- Aldrich, H. (1999). *Organizations evolving*. Sage Publications: Thousand Oaks, CA.
- Allan, B. (2005). Social Enterprise: Through the eyes of the consumer *Social Enterprise Journal*, 1(1), 57-77.
- Alter, S. (2002) *Case studies in social entrepreneurship*. Washington, DC: Counterpart International.
- Amabile, T. (1988). A model of Creativity and Innovation in Organizations. In Staw, B. and Cummings, L. (Eds) *Research in Organizational Behavior* (Vol. 10). Greenwich, CT: JAI Press.
- Amabile, T., Patterson, C., Mueller, J., Wojcik, T., Odomirok, P., Marsh, M., & Kramer, S. (2001). Academic-practitioner collaboration in management research: a case of cross-profession collaboration. *Academy of Management Journal*, 44(2), 418-431.
- Andrade, A. D. (2009). Interpretive research aiming at theory building: Adopting and adapting the case study design. *The Qualitative Report*, 14(1), 42-60.
- Ansari, S., Munir, K., & Gregg, T. (2012). Impact at the 'Bottom of the Pyramid': The role of social capital in capability development and community empowerment. *Journal of Management Studies*, 49(4), 813-842.
- Aragon-Correa, J. A., & Sharma, S. (2003). A contingent resource-based view of proactive corporate environmental strategy. *The Academy of Management Review*, 28(1), 71-88.
- Armendáriz, B., & Morduch, J. (2010). *The economics of microfinance* (2nd ed.). London, England: The MIT press.
- Arnould, E. J., & Mohr, J. J. (2005). Dynamic transformations for base-of-the-pyramid market clusters. *Journal of the Academy of Marketing Science*, 33(3), 254-274.
- Arora, S., & Romijn, H. (2009) Innovation for the Base of the Pyramid: Critical perspectives from development studies on heterogeneity and participation. *UNU-MERIT Working Papers ISSN 1871-9872*. Netherlands: Eindhoven University of Technology.
- Arora, S., & Romijn, H. (2012) The Empty Rhetoric of Poverty Reduction at the Base of the Pyramid. *Vol. 19* (pp. 481-505). Netherlands: Eindhoven University of Technology, SAGE Publications.
- Arrow, K. J., & Hahn, F. H. (1971). *General Competitive Analysis*. Holden-Day, San Francisco, CA.
- Ashoka Foundation. (2012). 'Ashoka's Mission' <http://www.socialventures.com.au/company/> Visited 13th December, 2012.
- Asia Pacific Civil Society Forum. (2003). *The Millennium Development Goals (MDGs) And the Eradication of Extreme Poverty and Hunger*. Bangkok, Thailand Asia Pacific Civil Society Forum.
- Asian Development Bank. (2010). *Papua New Guinea 2011 - 2015*. Manila, Philippines: Asian Development Bank.
- AusAID. (2011). Papua New Guinea. from <http://www.aisaid.gov.au/country/papua.cfm>
- Austin, J., Stevenson, H., & Wei-Skillern, J. (2003). Social Entrepreneurship and Commercial Entrepreneurship: Same, Different, or Both? Social Enterprise Series No. 28: Harvard Business School Working Paper.
- Bachieggia, A., & Borzaga, C. (2003). "The Economics of the Third Sector" in H.K. Anheier and A. Ben-Ner (eds), *The Study of the Nonprofit Enterprise, Theories and Approaches*. New York: Sage Journals.
- Badry, D. (2009). Multinational Companies in Low-Income Markets. Germany: Springer Science and Business Media.
- Baird, I., & Thomas, H. (1985). Toward a contingency model of strategic risk taking. *Academy of Management Review*, 230-243.
- Baker, T. (2007). Resources in play: Bricolage in the Toy Store *Journal of Business Venturing*, 22(5), 694-711.

- Baker, T., Miner, A. S., & Eesley, D. T. (2003). Improvising firms: bricolage, account giving and improvisational competencies in the founding process. *Research Policy*, 32(2), 255-276.
- Baker, T., & Nelson, R. (2005). Creating Something from Nothing: Resource Construction through Entrepreneurial Bricolage. *Administrative Science Quarterly*, 50(3), 329-366.
- Banae, M., & Yandell, D. (2006). Development Strategies and Opportunities: The Case of Africa. *Review of Human Factor Studies*, 12(1), 114-133.
- Bandura, A. (1995). Exercise of personal and collective efficacy in changing societies. *Self-efficacy in changing societies*, 1-45.
- Bandura, A. (1997). *Self-efficacy: The exercise of control*: New York, WH Freeman.
- Banerjee, S. (2001). Corporate citizenship and indigenous stakeholders. *Journal of Corporate Citizenship*, 2001(1), 39-55.
- Banerjee, S. (2007). *Corporate Social Responsibility: The Good, the Bad, and the Ugly*. Cheltenham: Edward Elgar.
- Barab, S., & Squire, K. (2004). Design-based research: Putting a stake in the ground. *The Journal of the learning sciences*, 13(1), 1-14.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99-120. doi: Doi 10.1177/014920639101700108
- Barry, D. (2011). *Re-designing organization design*. Paper presented at the Paper presented at the Design Business Conference, Barcelona.
- Bartlett, C., & Ghoshal, S. (1989). *Managing Across Borders: The Transnational Solution*. Boston, MA: Harvard Business School Press.
- Bassey, M. (1999). *Case Study Research in Educational Settings*. Buckingham: Open University Press.
- Baumol, W. (2010) *The microtheory of innovative entrepreneurship*. Princeton University Press: Princetown, NJ.
- Baumol, W., Litan, R., & Schramm, C. (2009). *Good Capitalism, bad capitalism, and the economics of growth and prosperity*. New Haven, CT: Yale University Press.
- Becker, H. S. (1996). The epistemology of qualitative research. In R. Jessor, A. Colby, & R. Schweder (Eds.), *Essays on ethnography and human development* (pp. 53-71). Chicago University of Chicago Press. Retrieved February 16, 2004, from <http://www.home.earthlink.net/~hsbecker/qa.html>.
- Benbasat, I., Goldstein, D., & Mead, M. (1987). The case research strategy in studies of information systems. *MIS Quarterly*, 11(3).
- Berger, E., & Nakata, C. (2013). Implementing technologies for financial service innovations in base of the pyramid markets. *Journal of Product Innovation Management*, 30(6), 1199-1211.
- Bergh, D., Perry, J., & Hanke, R. (2006). Some predictors of SMJ article impact. *Strategic Management Journal*, 27(1), 81-100.
- Bielefeld, W. (2009). Issues in social enterprise and social entrepreneurship. *Journal of Public Affairs Education*, 15(1), 69-86.
- Blomström, M., & Kokko, A. (1996) Multinational Corporations and Spillovers *Working Paper Series in Economics and Finance*, No. 99. Sweden: Stockholm School of Economics.
- Blunch, N., & Verner, D. (2006) Shared sectoral growth versus the dual economy model: Evidence from Cote d'Ivoire, Ghana, and Zimbabwe. *Vol. 18* (pp. 283-308): *Journal Compilation*, African Development Bank, 2006.
- Blyler, M., & Coff, R. (2003). Dynamic capabilities, social capital, and rent appropriation: Ties that split pies. *Strategic Management Journal*, 24(7), 677-686.
- Bonsu, S., & Polsa, P. (2011). Governmentality at the Base-of-the-Pyramid. *Journal of Macromarketing*, 31(3), 236-244.
- Boschee, J. (1995). 'Social Entrepreneurship', Across the Board. 32(3), 20-25.
- Brooks, A. (2009). *Social Entrepreneurship: A modern approach to social value creation*. Upper Saddle River, NJ: Pearson-Prentice Hall.
- Brown, L., Kane, H., & Roodman, D. (1994). *Vital signs*. New York: Norton.
- Brugmann, J., & Prahalad, C. (2007). Cocreating Business's New Social Compact. *Harvard Business Review*, 85(2), 80-90.
- Bruton, G., Ahlstrom, D., & Li, H. L. (2010). Institutional theory and entrepreneurship: Where are we now and where do we need to move in the future? *Entrepreneurship Theory and Practice*, 34(3), 421-440.

- Bryman, A. (2001). *Social Research Methods*. Oxford: Oxford University Press.
- Bull, M. (2008). Challenging tensions: critical, theoretical and empirical perspectives on social enterprise. *International Journal of Entrepreneurial Behaviour & Research*, 14(5), 268-275.
- Burchell, J., & Cook, J. (2006). Assessing the impact of stakeholder dialogue: changing relationships between NGOs and companies. *Journal of Public Affairs*, 6(3-4), 210-227.
- Burgelman, R. A. (1983). A model of the interaction of strategic behavior, corporate context and the concept of strategy. *Academy of Management Review*, 8(1), 61-70.
- Business For Millennium Development. (2008). *Business for Millennium Development Summit 2008*. Melbourne: Business for Millennium Development.
- Business For Millennium Development. (2009). Project Feasibility Report Southern Highland Produce Papua New Guinea. Melbourne, Australia: Business For Millennium Development.
- Cai, J., Leung, P., & Mak, J. (2006). Tourism's Forward and Backward Linkages. *Journal of Travel Research*, 45(1), 36. doi: 10.1177/0047287506288869
- Calvano, L. (2008). Multinational corporations and local communities: A critical analysis of conflict. *Journal of Business Ethics*, 82(4), 793-805.
- Campbell, J. (2004). *Institutional change and globalization*. Princetown, NJ: Princeton University Press.
- Campbell, J. (2007). Why Would Corporations Behave in Socially Responsible Ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32(3), 946-967.
- Campbell, J., Hollingsworth, J., & Lindberg, L. (1991). *Governance of the American economy* (Vol. 5). New York: Cambridge University Press.
- Castillo, L., Diehl, I., & Brezet, J. (2012) Design Considerations for Base of the Pyramid (BoP) Projects. Delf University of Technology, Netherlands.
- Cattarinich, X. (2001). Pro-poor tourism initiatives in developing countries: analysis of secondary case studies *Pro Poor Tourism Working Paper No. 8* (pp. 91). UK: Overseas Development Institute.
- Cavana, R., Delahaye, B., & Sekaran, U. (2001). *Applied business research: Qualitative and quantitative methods* (Australian ed.). Milton, Queensland, Australia: J. Wiley.
- Certo, S., & Miller, T. (2008). Social entrepreneurship: Key issues and concepts. *Business horizons*, 51(4), 267-271.
- Charmaz, K. (1995). Grounded theory, In J. Smith, R. Harr  e, and L. Van Langenhove (eds) *Rethinking Methods in Psychology*. (London: Sage Publications), pp. 27-49.
- Charmaz, K. (2003). Grounded theory: Objectivist and Constructivist Methods *Strategies of qualitative inquiry* (Vol. 2, pp. 42-71). US: Sage Publications.
- Charmaz, K. (2006). *Constructing Grounded Theory: A Practical Guide Through Qualitative Analysis*. London: Sage.
- Christmann, P. (2000). Effects of "best practices" of environmental management on cost advantage: The role of complementary assets. *Academy of Management Journal*, 43(4), 663-680.
- Chu, M. (2007). *Microfinance: Business, profitability, and creation value*. In V. K. Rangan, J. A. Quelch, G. Herrero, & B. Barton (Eds.), ***Business solutions for the global poor: creating social and economic value***. San Francisco: Jossey-Bass.
- Clark, K. B., & Fujimoto, T. (1991). *Product Development Performance: Strategy, organization, and management in the world auto industry*. Cambridge, MA: Harvard Business Press.
- Clarkson, M. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20(1), 92-117.
- Collier, P. (2008). *The Bottom Billion: Why the poorest countries are failing and what can be done about it*: Oxford University Press: NY.
- Cook, S., & Brown, J. (1999). Bridging Epistemologies: The generative dance between organizational knowledge and organizational knowing. *Organization Science*, 10(4), 381-400.
- Cooper, A. C. (1971). *The Founding of Technologically-Based Firms*. Milwaukee, WI: The Center for Venture Management.
- Cornelius, N., Todres, M., Janjuha-Jivraj, S., Woods, A., & Wallace, J. (2008). Corporate social responsibility and the social enterprise. *Journal of Business Ethics*, 81(2), 355-370.
- Cornwall, J. (1998). The entrepreneur as a building block for community. *Journal of Developmental Entrepreneurship*, 3(2), 141-148.

- Covin, J. G., & Slevin, D. P. (1986). 'The development and testing of an organizational-level entrepreneurship scale', *Frontiers of Entrepreneurship Research. Babson College, Wellesley, Mass., 1*, 626–639.
- Crabtree, A. (2007) Evaluating "The Bottom of the Pyramid" from a Fundamental Capabilities Perspective. *In CBDS Working Paper Series, Working Paper Nr. 1*. Copenhagen Business School, Denmark.
- Craig, D., & Porter, D. (2002). Poverty reduction strategy papers: a new convergence. *World development*, 31(1), 53-69.
- Craig, D., & Porter, D. (2003). Poverty reduction strategy papers: a new convergence. *World Development*, 31(1), 53-69.
- Crane, A., Palazzo, G., Spence, L., & Matten, D. (2014). Contesting the value of “creating shared value”. *California Management Review*, 56(2), 130-153.
- Creswell, J. W. (2005). *Educational research: planning, conducting, and evaluating quantitative and qualitative research*. Upper Saddle River: Pearson Education.
- Crossan, M., Lane, H., & White, R. (1999). An organizational learning framework: from intuition to institution. *Academy of Management Review*, 24(3), 522-537.
- Dahan, N., Doh, J., Oetzel, J., & Yaziji, M. (2009) Corporate-NGO Collaboration: Co-creating New Business Models for Developing Markets. In Elsevier (Series Ed.): *Vol. 43. Long Range Planning* (pp. 326-342): Elsevier Ltd.
- Dart, R. (2004). The Legitimacy of Social Enterprise. *Nonprofit Management and Leadership*, 14(4), 411-424.
- Davis, J., Schoorman, D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management Review*, 22(1), 20-47.
- Day, G. (1994). The capabilities of market-driven organizations. *The Journal of Marketing*, 58(4), 37-52.
- de Soto, H. (2000). *The mystery of capital: Why capitalism triumphs in the West and fails everywhere else*. New York: Basic Books.
- Dees, J. (1998). Enterprising nonprofits. *Harvard Business Review*, 76, 54-69.
- Dees, J. (1998a). The meaning of "Social Entrepreneurship". 2010(2 June). <http://csi.gsb.stanford.edu/the-meaning-social-entrepreneurship>
- Dees, J., & Anderson, B. (2003). 2. For-Profit Social Ventures. *International Journal of Entrepreneurship Education*, 2, 1-26.
- Defourny, J., & Nyssens, M. (2010). Conceptions of Social Enterprise and Social Entrepreneurship in Europe and the United States: Convergences and divergences. *Journal of social entrepreneurship*, 1(1), 32-53.
- Delery, J., & Doty, D. (1996). Modes of Theorizing in Strategic Human Resource Management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal*, 39(4), 802-835.
- Denzin, N., & Lincoln, Y. (2000). Introduction: The discipline and practice of qualitative research. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (2nd ed., pp. 1–28). Thousand Oaks, CA: Sage.
- Desa, G., & Basu, S. (2013). Optimization or bricolage? Overcoming resource constraints in global social entrepreneurship. *Strategic entrepreneurship journal*, 7(1), 26-49.
- Dey, I. (1999). *Grounding grounding theory: Guidelines for qualitative inquiry*. San Diego: CA: Academic Press.
- Di Domenico, M., Haugh, H., & Tracey, P. (2010). Social bricolage: theorizing social value creation in social enterprises. *Entrepreneurship Theory and Practice*, 34(4), 681-703.
- Di Maggio, P., & Powell, W. (1983). "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields". *American Sociological Review*, 48, 147-160.
- Dixon, N. (1992). Organizational Learning: A Review of the Literature With Implications for HRD Professionals. *Human Resource Development Quarterly*, 3(Spring), 29-49.
- Dixon, S., Meyer, K., & Day, M. (2014). Building dynamic capabilities of adaptation and innovation: a study of micro-foundations in a transition economy. *Long Range Planning*, 47(4), 186-205.
- Donaldson, L. (2001). Core Paradigm and Theoretical Integration *The contingency theory of organizations*. Thousand Oaks, California: Sage Publications.
- Doolin, B. (1996). Alternative views of case research in information systems. *Australian Journal of Information Systems*, 3(2), 21-29.

- Dougherty, D. (1989). *Interpretive Barriers to Successful Product Innovation*. Report No. 89-114. Cambridge, MA: Marketing Science Institute.
- Dowell, G., Hart, S., & Sharma, S. (2010) *Leaped or shoved: Factors affecting MNC participation at the base of the pyramid*. Working paper, Ithaca, NY: SC Johnson Graduate School of Management, Cornell University.
- Drazin, R., & Van de Ven, A. (1985). Alternative forms of fit in contingency theory. *Administrative Science Quarterly*, 514-539.
- Dubin, R. (1976). Theory building in applied areas. In M.D. Dunnette (Ed.), *Handbook of industrial and organizational psychology*. Chicago Rand- McNally.
- Dunn, D., & Yamashita, K. (2003). Microcapitalism and the Mega-corporation. *Harvard Business Review*, 81(8), 46-54.
- Dushnitsky, G., & Lenox, M. (2005). When do incumbents learn from entrepreneurial ventures?: Corporate venture capital and investing firm innovation rates. *Research Policy*, 34(5), 615-639.
- Easterby-Smith, M., & Prieto, I. (2008). Dynamic Capabilities and Knowledge Management: an integrative role for learning. *British Journal of Management*, 19(3), 235-249.
- Ebrahim, G. J. (2008). Poverty and the Millennium Development Goals. *Journal of Tropical Pediatrics*, 54(1), 1.
- Eisenhardt, K. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.
- Eisenhardt, K., & Graebner, M. (2007). Theory building from cases: opportunities and challenges. *Academy of Management Journal*, 50(1), 25-32.
- Eisenhardt, K., & Martin, J. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 21(10-11), 1105-1121.
- Enterprise for a Sustainable World. (2006). Base of the pyramid protocol: Project overview. Retrieved August 10, 2010, from <http://bop-protocol.org/about/index.html>
- Erramilli, M. K. (1992). Influence of some external and internal environmental factors on foreign market entry mode choice in service firms. *Journal of Business Research*, 25(4), 263-276.
- Esson, K., & Leeder, S. (2004). *The Millennium Development Goals and tobacco control: an opportunity for global partnership*. France: World Health Organization.
- European Union. (2001). *GREEN PAPER: Promoting a European framework for Corporate Social Responsibility*. Bruxelles: European Union Retrieved from europa.eu/rapid/press-release_DOC-01-9_en.pdf.
- Faulconbridge, J. (2013) *Situated bottom of the pyramid markets and the multinational corporation*. Sage Publications: UK.
- Fayh, J. (2000). The resource-based view of the firm: some stumbling-blocks on the road to understanding sustainable competitive advantage. *Journal of European Industrial Training*, 24(2/3/4), 94.
- Fielder, F. (1967). *A Theory of Leadership Effectiveness*. New York: McGraw-Hill.
- Fig, D. (2005) Manufacturing amnesia: corporate social responsibility in South Africa. Vol. 81 (pp. 599-617): *International Affairs*.
- Fiol, C. M., & Lyles, M. A. (1985). Organizational Learning. *Academy of Management Review*, 10, 803-813.
- Fitch, B., & Sorensen, L. (2007). The Case for Accelerating Profit-Making at the Base of the Pyramid: What Could and Should the Donor Community Be Seeking to Do, and What Results Should It Expect? *Journal of International Development*, 19(6), 781-792.
- Fligstein, N. (1990). *The transformation of corporate control*. Cambridge, MA: Harvard University Press.
- Fligstein, N., & Feeland, R. (1995). Theoretical and comparative perspectives on corporate organization. *Annual review of sociology*, 21, 21-43.
- Flyvbjerg, B. (2001). *Making Social Science Matter: Why social inquiry fails and how it can succeed again*. Cambridge: Cambridge University Press.
- Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative inquiry*, 12(2), 219-245.
- Follman, J. (2012). BoP at Ten: Evolution and a new lens. *South Asian Journal of Global Business Research*, 1(2), 293-310.
- Foster, C., & Heeks, R. (2013). Analyzing policy for inclusive innovation: the mobile sector and base-of-the-pyramid markets in Kenya. *Innovation and Development*, 3(1), 103-119.
- Fredrickson, J. (1984). The Comprehensiveness of Strategic Decision Processes: Extension, observations, future directions. *Academy of Management Journal*, 27(3), 445-466.

- Frynas, J. (2005) The false developmental promise of corporate social responsibility: Evidence from multinational oil companies. *Vol. 81* (pp. 581-598): *International Affairs*.
- Frynas, J. (2008). Corporate social responsibility and international development: Critical assessment. *Corporate Governance: An International Review*, 16(4), 274-281.
- Galer, G., & van der Heijden, k. (1992). The learning Organization: How Planners Create Organizational Learning. *Marketing Intelligence and Planning*, 10(6), 5-12.
- Galera, G., & Borzaga, C. (2009). Social Enterprise: An international overview of its conceptual evolution and legal implementation. *Social Enterprise Journal*, 5(3), 210-228.
- Garcia, L., & Quek, F. (1997). *Qualitative research in information systems: Time to be subjective?* Paper presented at the Proceedings of the IFIP TC8 WG 8.2. Philadelphia, PA: International Conference on Information Systems and Qualitative Research.
- Gardetti, M. (2005). A base-of-the-pyramid approach in Argentina *Greener Management International*, 51, 65-77.
- Garforth, C., Phillips, C., & Bhatia-Panthaki, S. (2007). The private sector, poverty reduction and international development. *Journal of International Development*, 19(6).
- Garvin, D. (1993). Building a Learning Organization. *Harvard Business Review*, 71 (July-August), 78-91.
- Gasse, Y. (1982) Elaborations on the psychology of the entrepreneur. In C. A. Kent, D. L. Sexton, & K. H. Vesper (Eds.). *Encyclopedia of entrepreneurship* (pp. 209-223). Englewood Cliffs: NJ: Prentice Hall.
- Gates, B. (2008). A new approach to capitalism in the 21st century, World Economic Forum 2008, 24 January. Retrieved October 20, 2010, from <http://www.microsoft.com/presspass/exec/billg/speeches/2008/01-24wefdavos.msp>
- Gebauer, H., & Reynoso, J. (2013). An agenda for service research at the base of the pyramid. *Journal of Service Management*, 24(5), 482-502.
- George, G., McGahan, A., & Prabhu, J. (2012). Innovation for inclusive growth: towards a theoretical framework and a research agenda. *Journal of Management Studies*, 49(4), 661-683.
- Gibson, J., & Rozelle, S. (2003). Poverty and Access to Infrastructure in Papua New Guinea. *The University of Chicago Press*, 52(1), 159-185. doi: 10.1086/380424
- Gibson, J., Rozelle, S., Zealand, H. N., & Bay, I. (2002). *Poverty and Access to Infrastructure in Papua New Guinea*. New Zealand.
- Gioia, D., Corley, K., & Hamilton, A. (2013). Seeking qualitative rigor in inductive research notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15-31.
- Glaser, B. G., & Strauss, A. L. (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Chicago, IL: Aldine.
- Gold, S., Hahn, R., & Seuring, S. (2013). Sustainable supply chain management in “Base of the Pyramid” food projects—A path to triple bottom line approaches for multinationals? *International Business Review*, 22(5), 784-799.
- Gorg, H., & Ruane, F. P. (1998). *Linkages between multinationals and indigenous firms: evidence for the electronics sector in Ireland*: Department of Economics, Trinity College.
- Grant, R. (1996). Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17, 109-122.
- Gray, B. (1989). *Collaborating: Finding common ground for multiparty problems*. San Francisco: Jossey Bass.
- Greenwood, R., Oliver, C., Suddaby, R., & Sahlin-Andersson, K. (2008). *The Sage handbook of organizational institutionalism*: London: Sage.
- Greider, W. (1977). *One World, Ready or Not: the Manic Logic of Global Capitalism* New York: Simon & Schuster.
- Griffin, J., & Mahon, J. (1997). The corporate social performance and corporate financial performance debate: Twenty-five years of incomparable research. *Business & Society*, 36(1), 5-31.
- Grix, J. (2004). *The foundations of research*: Palgrave Macmillan, Basingstoke, Hampshire.
- Gupta, V., & Khilji, S. (2013). Revisiting fortune at base of the pyramid (BoP). *South Asian Journal of Global Business Research*, 2(1), 8-26.
- Hahn, R. (2009). The Ethical Rational of Business for the Poor - Integrating the Concepts Bottom of the Pyramid, Sustainable Development, and Corporate Citizenship. *Journal of Business Ethics*, 84(3), 313.

- Haines, A., & Cassels, A. (2004). Can the millennium development goals be attained? *BMJ: British Medical Journal*, 329(7462), 394.
- Hakkinen, L., & Hilmola, O. (2005). Methodological pluralism in case study research: an analysis of contemporary operations management and logistics research. *International Journal of Services and Operations Management*, 1(3), 239-256.
- Hall, J., & Matos, S. (2010). Incorporating impoverished communities in sustainable supply chains. *International Journal of Physical Distribution & Logistics Management*, 40(1/2), 124-147.
- Hall, J., Matos, S., & Martin, M. (2014). Innovation pathways at the Base of the Pyramid: Establishing technological legitimacy through social attributes. *Technovation*, 34(5), 284-294.
- Hall, J., Matos, S., Sheehan, L., & Silvestre, B. (2012). Entrepreneurship and innovation at the base of the pyramid: a recipe for inclusive growth or social exclusion? *Journal of Management Studies*, 49(4), 785-812.
- Halme, M., Lindeman, S., & Linna, P. (2012). Innovation for inclusive business: Intrapreneurial bricolage in multinational corporations. *Journal of Management Studies*, 49(4), 743-784.
- Hamann, R., Pienaar, S., Boulogne, F., & Kranz, N. (2011). What Makes Cross-Sector Partnerships Successful?: A comparative Case Study Analysis of Diverse Partnership Types in an Emerging Economy Context. South Africa: University of Cape Town.
- Hamel, J. (1993). *Case Study Methods*. Thousand Oak, CA: Sage.
- Hanson, M. (2001). Institutional Theory and Educational Change. *Educational Administration Quarterly*, 37(5), 637-661.
- Harjula, L. (2005). Tensions between Venture Capitalists' and Business-Social Entrepreneurs' Goals: Will Bottom-of-the-Pyramid Strategies Offer a Solution? *Greener Management International*, 51, 79.
- Hart, S. (1995). A natural-resource-based view of the firm. *Academy of Management Review*, 20, 986-1014.
- Hart, S. (2005). *Capitalism at the Crossroads: The unlimited business opportunities in solving the world's most difficult problems*. Upper Saddle River, NJ: Wharton School Publishing.
- Hart, S. (2007). *Capitalism at the crossroads: Aligning business, earth, and humanity*. Upper Saddle River, NJ: Wharton School Publishing.
- Hart, S., & Christensen, C. (2002). The great leap: Driving innovation from the base of the pyramid. *MIT Sloan Management Review*, 44(1), 51.
- Hart, S., & Dowell, G. (2011). Invited Editorial: A Natural-Resource-Based View of the Firm Fifteen Years After. *Journal of Management*, 37(5), 1464-1479.
- Hart, S., & London, T. (2005). Developing native capability. *Stanford Social Innovation*, 3(2), 28-33.
- Hart, S., & Prahalad, C. (2002). The fortune at the bottom of the pyramid. *Strategy Business*, 26 (First Quarter), 2-14.
- Hart, S., & Sharma, S. (2004). Engaging fringe stakeholders for competitive imagination. *Academy of Management Executive*, 18(1), 7-18.
- Hart, S., & Sharma, S. (2006) Base of the Pyramid: Predicting MNC entry and success. *Journal of International Business Studies*.
- Hartley, J. (2004). Case study research *Essential guide to qualitative methods in organizational research* (pp. 323-333). Thousand Oaks, CA: Sage.
- Haugh, H. (2005). A research agenda for social entrepreneurship. *Social Enterprise Journal*, 1(1), 1-12.
- Haugh, H., & Tracey, P. (2004) The role of social enterprise in regional development. In: Cambridge-MIT Institute, ed. *Social enterprise and regional development conference*, 16 September 2004. Cambridge-MIT, University of Cambridge, UK. Cambridge: Cambridge-MIT Institute.
- He, Z., & Wong, P. (2004). Exploration vs. exploitation: An empirical test of the ambidexterity hypothesis. *Organization Science*, 15(4), 481-494.
- Healy, M., & Perry, C. (2000). Comprehensive criteria to judge validity and reliability of qualitative research within the realism paradigm. *Qualitative Market Research: An International Journal*, 3(3), 118-126.
- Hedberg, B. (1981) How Organizations Learn and Unlearn. In *Handbook of Organizational Design*. Eds. Paul C. Nystrom and William H. Starbuck. (pp. 3-27). Oxford University Press: New York.
- Henderson, R., & Cockburn, I. (1994). Measuring competence? Exploring firm effects in pharmaceutical research. *Strategic Management Journal*, 15(1), 63-84.
- Heskett, J. L., & Kotter, J. P. (1992). Corporate Culture and Performance. *Business Review*, 2, 83-93.
- Heuty, A., & Reddy, S. (2005). *Achieving the Millennium Development Goals: What's Wrong with Existing Analytical Models?*

- Hillman, A., Withers, M., & Collins, B. (2009). Resource dependence theory: A review. *Journal of Management*.
- Hitchcock, G., & Hughes, D. (1989). *Research and the Teacher: a Qualitative Introduction to School-Based research* London: Routledge.
- Hitt, M., Li, H., & Worthington, W. (2005). Emerging Markets as Learning Laboratories: Learning behaviors of local firms and foreign entrants in different institutional contexts. *Management and Organization Review*, 1(3), 353-380.
- Howe, K. R. (1998). The interpretive turn and the new debate in education. *Educational Researcher*, 27(8), 13-20.
- Hsu, D. (2008). Technology-based entrepreneurship. *Handbook of technology and innovation management*. (pp. 367-388). Shane S (ed). John Wiley & Sons: Chichester, U.K.
- Huber, G. (1991). Organizational Learning: The Contributing Processes and the Literatures. *Organizational Science*, 2 (February) 88-115.
- Hughes, J., & Sharrock, W. (1997). *The Philosophy of Social Research* (3rd ed.). London and New York: Longman.
- Huntington, S. P. (1968). *Political Order in Changing Societies*. New Haven, CT: Yale University Press.
- Husted, B. (2000). A contingency theory of corporate social performance. *Business & Society*, 39(1), 24-48.
- Huxham, C., & Vangen, S. (2000). Leadership in the shaping and implementation of collaboration agendas: How things happen in a (not quite) joined-up world. *Academy of Management Journal*, 43(6), 1159-1175.
- Idemudia, U. (2011). Corporate social responsibility and developing countries moving the critical CSR research agenda in Africa forward. *Progress in Development Studies*, 11(1), 1-18.
- Ingram, M. (2008). [Business for Millennium Development Ltd].
- Ingram, M. (2010). [Business For Millennium Development Ltd].
- Isa, M. (2010). [Business for Millennium Development Ltd].
- Jagtap, S., Larsson, A., Hiort, V., Olander, E., Warell, A., & Khadilkar, P. (2014). How design process for the Base of the Pyramid differs from that for the Top of the Pyramid. *Design Studies*, 35(5), 527-558.
- Jarzabkowski, P. (2004). Strategy as Practice: Recursiveness, adaptation, and practices-in-use. *Organization Studies*, 25(4), 529-560.
- Jaworski, B., & Kohli, A. (1993). Market Orientation: Antecedents and Consequences. *Journal of Marketing*, 57(Jluy), 53-70.
- Jenkins, R. (2005) Globalization, corporate social responsibility and poverty. Vol. 81 (pp. 525-540): *International Affairs*.
- Jensen, R., & Szulanski, G. (2004). Stickiness and the adaptation of organizational practices in cross-border knowledge transfers. *Journal of international business studies*, 35(6), 508-523.
- Johanson, J., & Vahlne, J. (2003). Business relationship learning and commitment in the internationalization process. *Journal of International Entrepreneurship*, 1(1), 83-101.
- Johnson, E., & Prakash, A. (2007). NGO Research Program: A collective action perspective. *Policy Sciences*, 40(3), 221-240.
- Johnson, R., & Onwuegbuzie, A. (2004). Mixed Methods Research: A research paradigm whose time has come. *Educational Researcher*, 33(7), 14-26.
- Kakwani, N., & Pernia, E. M. (2000). What is pro-poor growth? *Asian Development Review*, 18(1), 1-16.
- Kandachar, P., de yong, P., & Diehl, I. (2009). *Designing for emerging markets: Design of products and services*. Delft: Delft University of Technology.
- Kandachar, P., & Halme, M. (2008). *Sustainability challenges and solutions at the base of the pyramid: Business, technology and the poor*. Sheffield: Green Leaf Publishing.
- Karim, S., & Mitchell, W. (2000). Path-dependent and path-breaking change: Reconfiguring business resources following acquisitions in the US medical sector, 1978–1995. *Strategic Management Journal*, 21, 1061-1081.
- Karnani, A. (2007). The Mirage of Marketing to the Bottom of the Pyramid: How the private sector can help poverty. *California Management Review*, 49(4), 90-111.
- Karnani, A. (2007a). *Fortune at the Bottom of the Pyramid: A Mirage*: SSRN.
- Katz, D., & Kahn, R. (1966). *The social psychology of organizations*. New York: John Wiley.

- Kaur, G., Bordoloi, S., & Rajesh, R. (2009) An empirical investigation on the inter-sectoral linkages in India. *Vol. 30* (pp. 1-45). India: Reserve Bank of India Occasional Papers.
- Kirchgeorg, M., & Winn, M. I. (2006). Sustainability marketing for the poorest of the poor. *Business Strategy and the Environment*, 15(3), 171-184.
- Kistruck, G., Webb, J., Sutter, C., & Ireland, R. (2011). Microfranchising in Base-of-the-Pyramid Markets: Institutional Challenges and Adaptations to the Franchise Model. *Entrepreneurship Theory and Practice*, 35(3), 503-531.
- Klein, H. J. (1991). Control theory and understanding motivated behavior: A different conclusion. *Motivation and Emotion*, 15(1), 29-44.
- Kogut, B., & Zander, U. (1992). Knowledge of the Firm, Combinative Capabilities, and the Replication of Technology. *Organisations Science*, 3, 383-397.
- Koka, B., & Prescott, J. (2002). Strategic alliances as social capital: A multidimensional view. *Strategic Management Journal*, 23(9), 795-816.
- Kolk, A., Rivera-Santos, M., & Rufin, C. (2013). Reviewing a decade of research on the "base/bottom of the pyramid"(BOP) concept *Business & Society* (pp. 1-40). Thousand Oaks, California: Sage Publications.
- Krauss, S. E. (2005). Research paradigms and meaning making: A primer. *The Qualitative Report*, 10(4), 758-770.
- Kreuter, M., & Lezin, N. (2002). Social capital theory. *Emerging theories in health promotion practice and research: Strategies for improving public health*, 15, 228.
- Kuriyan, R., Ray, I., & Kammen, D. (2008). How to Use Technology to Spur Development-Merging technology and entrepreneurialism to meet the needs of the poor and improve their productivity has obvious appeal, but such efforts need more. *Issues in Science and Technology*, 24(2), 70-74.
- Kusek, J., Rist, R., & White, E. (2005). How Will We Know the Millennium Development Goal Results When We See Them? *Evaluation*, 11(1), 7-26.
- Lachman, R., & Wolfe, R. (1997). The Interface of Organizational Effectiveness and Corporate Social Performance: Opportunities for Research and Theory Development. *Business & Society*, 36(2), 194-214.
- Landrum, N. (2007). Advancing the 'base' of the pyramid debate. *Strategic Management Review*, 1(1), 1-12.
- Lee, A. (1989). A scientific methodology of MIS case studies. *MIS Quarterly*, 13, 33-50.
- Leonard-Barton, D. (1990). A dual methodology for case studies: Synergistic use of a longitudinal single site with replicated multiple sites. *Organization Science*, 1(3), 248-266.
- Levi-Strauss, C. (1966). *The savage mind*: University of Chicago Press.
- Lieberman, M. B., & Montgomery, D. B. (1988). First-mover advantages. *Strategic Management Journal*, 9(S1), 41-58.
- Lim, C., Han, S., & Ito, H. (2013). Capability building through innovation for unserved lower end mega markets. *Technovation*, 33(12), 391-404.
- Lofland, J. (1974). Styles of reporting qualitative field research. *The American Sociologist*, 9, 101-111.
- London, T. (2007) A Base-of-the-Pyramid Perspective on Poverty Alleviation. *Working Paper*. United States: The William Davidson Institute at the University of Michigan.
- London, T., & Anupindi, R. (2012). Using the base-of-the-pyramid perspective to catalyze interdependence-based collaborations. *Proceedings of the National Academy of Sciences*, 109(31), 12338-12343.
- London, T., Anupindi, R., & Sheth, S. (2010). Creating mutual value: Lessons learned from ventures serving base of the pyramid producers. *Journal of Business Research*, 63(6), 582-594.
- London, T., & Hart, S. (2004). Reinventing strategies for emerging markets: beyond the transnational model. *Journal of international business studies*, 35(5), 350-370. doi: DOI 10.1057/palgrave.jibs.8400099
- London, T., & Hart, S. (2011). *Next generation business strategies for the base of the pyramid: New approaches for building mutual value* (pp. 1-18). Financial Times Press, Upper Saddle River, NJ.
- London, T., Sheth, S., & Hart, S. (2014). A Roadmap for the Base of the Pyramid Domain: Re-energizing for the Next Decade (pp. 1-23). Michigan, USA: William Davidson Institute.
- Lorange, P., Scott Morton, M. F., & Ghoshal, S. (1986) *Strategic control systems*. St Paul, MN: West.
- Lumpkin, G., & Dess, G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *The Academy of Management Review*, 21(1), 135-172.
- Lund-Thomsen, P. (2005) South Africa: Community and environmental governance. *Vol. 81* (pp. 619-633): *International Affairs*.

- Luo, Y., & Peng, M. (1999). Learning to compete in a transition economy: Experience, environment, and performance. *Journal of international business studies*, 30, 269-295.
- Lythcott, J., & Duschl, R. (1990). Qualitative research: From methods to conclusions. *Science Education*, 74(4), 445-460.
- Maak, T. (2007). Responsible leadership, stakeholder engagement, and the emergence of social capital. *Journal of Business Ethics*, 74(4), 329-343.
- MacDonald, B., & Walker, R. (1975). Case study and the social philosophy of educational research. *Cambridge Journal of Education*, 5(1), 2-12.
- Mackenzie, K., & House, R. (1978). Paradigm development in the social sciences: A proposed research strategy. *Academy of Management Review*, 3, 7-23.
- Madeley, J. (2008). *Big Business, Poor Peoples: How Transnational Corporations Damage the World's Poor*. London: Zed Books.
- Mahon, J., & Waddock, S. (1992). Strategic Issues Management: An integration of issue life cycle perspectives. *Business & Society*, 31(1), 19-32.
- Maidique, M., & Patch, P. (1982). Corporate strategy and technological policy. In M. L. Tushman & W. L. Moore (Eds.), *Readings in the Management of Innovation* (pp. 273-285). Marshfield, MA: Pitman.
- Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36-44.
- Mair, J., Robinson, J., & Hockerts, K. (2006). *Social entrepreneurship*: Palgrave Macmillan.
- March, J., Sproull, L., & Tamuz, M. (1991). Learning from samples of one or fewer. *Organization Science*, 2(1), 1-13.
- Marcus, R., Wilkinson, J., & Marshali, J. (2002). Poverty reduction strategy papers (PRSPs) - Fulfilling their potential for children in poverty? *Journal of International Development*, 14(8), 1117-1128. doi: DOI: 10.1002/jid.953
- Martens, J. (2005). UN Reform and the Millennium Goals 2005: Opportunities for new Initiatives in Development Finance and Global Governance *Working paper on international debates on the preparation process for the United Nations Millennium +5 Summit* (Vol. 16). Bonn, Germany: Heinrich Böll Foundation.
- McClelland, D. (1985). How Motives, Skills, and Values Determine What People Do. *American Psychologist*, 40 (July), 812-825.
- McFalls, R. (2007). Testing the Limits of 'Inclusive Capitalism': A Case Study of the South Africa HP i-Community. *The Journal of Corporate Citizenship*(28), 85.
- McKeon, S. (2011). [Business for Millennium Development Ltd].
- Meadows, D. H., Meadows, D. L., & Randers, J. (1992). *Beyond the limits*. Post Mills, VT: Chelsea Green Publishing.
- Merino, A., & Valor, C. (2011). The potential of Corporate Social Responsibility to eradicate poverty: an ongoing debate. *Development in Practice*, 21(2), 157-167.
- Merriam, S. B. (1988). *Case Study Research in Education: A Qualitative Approach*. San Francisco, CA: Jossey-Bass.
- Meyer, D. (2006) Caribbean tourism, local sourcing and enterprise development: Review of the literature. *Pro-poor tourism Working Paper No. 18*. UK: Sheffield Hallam University.
- Meyer, J. (1992) Centralization of funding and control in educational governance. In J.W. Meyer & W.R. Scott (Eds). *Organizational environments: Ritual and rationality* (pp. 179-197). Thousand Oaks, CA: Sage Publications.
- Miles, M., & Huberman, A. (1984). Drawing valid meaning from qualitative data: Toward a shared craft. *Educational Researcher*, 13(5), 20-30.
- Miles, R., & Snow, C. (1978). *Organizational Strategy, structure, and process*. New York: McGraw-Hill.
- Miles, R., & Snow, C. (1984). Fit, failure and the hall of fame. *California Management Review*, 26(3), 10-28.
- Millar, C., Choi, C., & Chen, S. (2004). Global strategic partnerships between MNEs and NGOs: Drivers of change and ethical issues. *Business and Society Review*, 109(4), 395-414.
- Miller, D. (1992). Environmental fit versus internal fit. *Organization Science*, 3(2), 159-178.
- Miller, D. (1996). A preliminary typology of organizational learning: Synthesizing the literature *Journal of Management*, 22, 485-505.

- Mingers, J. (2001). Combining IS research methods: Towards a pluralist methodology. *Information systems research*, 12(3), 240-259.
- Mitchell, R., & Charmaz, K. (1996). Telling tales, writing stories: Postmodernist Visions and Realist Images in Ethnographic Writing. *Journal of Contemporary Ethnography*, 25(1), 144-166.
- Mitnik, B. (1993). Organizing research in corporate social performance: The CSP system as core paradigm. In J. Pasquero & D. Collins (Eds.), *Proceedings of the Fourth Annual Meeting of the International Association for Business and Society* (pp. 2-15). San Diego, CA: International Association for Business and Society.
- Mollona, E. (2008). Computer simulation in social sciences. *Journal of Management and Governance*, 12(2), 205-211.
- Mook, L., Quarter, J., & Ryan, S. (2012). *Business with a difference: Balancing the social and the economic*. London: University of Toronto Press.
- Mort, G., Weerawardena, J., & Carnegie, K. (2003). Social entrepreneurship: Towards conceptualisation. *International Journal of Nonprofit and Voluntary Sector Marketing*, 8(1), 76-88.
- Muller, A., & Kolk, A. (2010). Extrinsic and intrinsic drivers of corporate social performance: evidence from foreign and domestic firms in Mexico. *Journal of Management Studies*, 47(1), 1-26.
- Nasi, J., Nasi, S., Phillips, N., & Zyglidopoulos, S. (1997). The Evolution of Corporate Social Responsiveness: An Exploratory Study of Finnish and Canadian Forestry Companies. *Business & Society*, 36(3), 296-321.
- Nations, U. (2006). The Millennium Development Goals Report 2006. New York, USA: United Nations.
- Nations., U. (1997) *World Investment Report 1997: Transnational Corporations, Market Structure and Competition Policy*. New York: United Nations.
- Nelson, R., & Winter, S. (1982). *An Evolutionary Theory of Economic Change*. Belknap Press, Cambridge, UK.
- Neuman, L. (1997). *Social Research Methods: Qualitative and Quantitative Approaches* (4 ed.). London: Allyn and Bacon.
- Newell, P. (2005) Citizenship, accountability and community: The limits of the CSR agenda. Vol. 81 (pp. 541-557): *International Affairs*.
- Nicholls, A. (2006). *Social Entrepreneurship: New models of sustainable social change*: Oxford: Oxford University Press.
- Nichols, A., & Young, R. (2008). Preface to the Paperback Edition. In A. Nichols (Ed.) *Social Entrepreneurship: New Models for Sustainable Change*. Oxford: Oxford University Press.
- Nickerson, J., & Zenger, T. (2004). A knowledge-based theory of the firm—The problem-solving perspective. *Organization Science*, 15(6), 617-632.
- Nielsen, C., & Samia, P. (2008). Understanding key factors in social enterprise development of the BOP: a systems approach applied to case studies in the Philippines. *Journal of Consumer Marketing*, 25(7), 446-454.
- Norman, R. (1985). Developing Capabilities for Organizational Learning In *Organizational Strategy and Change*. Ed. Johannes M. Pennings. San Francisco: Jossey-Bass.
- Norton, A., & Foster, M. (2001). The Potential of Using Sustainable Livelihoods Approaches to Poverty Reduction Papers *Working Paper 148*. London, UK: Overseas Development Institute.
- Nystrom, P. C., & Starbuck, W. H. (1984). To avoid organizational crises, unlearn. *Organizational dynamics*.
- O'Riain, S. (2000). States and Markets in an Era of Globalization. *Annual review of sociology*, 26, 187-213.
- Oliver, C. (1991). Strategic Responses to Institutional Pressures. *Academy of Management Review*, 16, 145-179.
- One Acre Fund. (2014). Program Model. Retrieved March, 2014, from <http://www.oneacrefund.org/our-approach/program-model/>
- Ouchi, W. (1980). Markets, Bureaucracies, and Clans. *Administrative Science Quarterly*, 25, 129-141.
- Overseas Development Institute. (2010). Economic Growth and the MDGs (Vol. 60). London, United Kingdom: Overseas Development Institute.
- Pan, Y., & Tse, D. K. (2000). The hierarchical model of market entry modes. *Journal of international business studies*, 31, 535-554.
- Papua New Guinea Government. (2010). *Pupua New GuineaThe Medium Term Development Plan: 2010 - 2015* Port Moresby: Pupua New Guinea Government.

- Patton, M. Q. (2002). *Qualitative research and evaluation methods* (3 ed.). California, U.S.: Sage Publications.
- Peng, M. W. (2001). The resource-based view and international business. *Journal of Management*, 27(6), 803.
- Penrose, E. T. (1959). *The theory of the growth of the firm*: New York: Wiley.
- Peredo, A., & McLean, M. (2006). Social Entrepreneurship: A critical review of the concept. *Journal of World Business*, 41(1), 56-65.
- Petrack, J., & Quinn, J. (2000). The Integrity Capacity Construct and Moral Progress in Business. *Journal of Business Ethics*, 23(3), 1-3.
- Pettigrew, A. (1973). *The Politics of Organizational Decision Making*. London, UK: Tavistock.
- Pineda-Escobar, M. (2013). Business, Sustainability, and Base of the Pyramid *Advances in Sustainability and Environmental Justice* (Vol. 12, pp. 67-91). UK: Emerald Group Publishing Limited.
- Pisano, G. (1994). Knowledge, integration, and the locus of learning: An empirical analysis of process development. *Strategic Management Journal*, 15, 85-100.
- Pitta, D., Nielsen, C., & Samia, P. (2008). Understanding key factors in social enterprise development of the BOP: a systems approach applied to case studies in the Philippines. *Journal of Consumer Marketing*, 25(7), 446-454.
- Pitta, D. A., Guesalaga, R., & Marshall, P. (2008). The quest for the fortune at the bottom of the pyramid: potential and challenges. *Journal of Consumer Marketing*, 25.
- PNG. (2004). *The Medium Term Development Strategy 2005 – 2010*. Papua New Guinea Ministry for National Planning and Monitoring Retrieved from <http://www.aciar.gov.au/publication/EXT02>.
- PNG Government. (2010) Papua New Guinea Medium Term Development Plan 2011 - 2015. *Building the foundations for prosperity*. Port Moresby: Department of National Planning and Monitoring.
- Polonsky, M. (2001). Strategic bridging within firm-environmental group alliances: opportunities and pitfalls. *Journal of Marketing Theory and Practice*, 9(1), 38-47.
- Popapchuk, W., Crocker, J., Schechter, W., & Boogaard, D. (1998). *Building community: Exploring the role of social capital and local government*. Wahsington, DC: National Civic League.
- Porter, M., & Kramer, M. (2006). Strategy and Society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78-92.
- Prahalad, C. (2004). *The fortune at the bottom of the pyramid: Eradicating poverty through profits*. Upper Saddle River, NJ: Wharton School Publishing.
- Prahalad, C. (2010). *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits, Revised and Updated 5th Anniversary Edition*. Pearson Education Inc, Upper Saddle River, NJ.
- Prahalad, C., & Hammond, A. (2002). Serving the World's Poor, Profitably. *Harvard Business Review*, 80(9), 48-59.
- Prahalad, C., & Hart, S. (1999). Strategies for the bottom of the pyramid: creating sustainable development. *Ann Arbor*.
- Prahalad, C., & Ramaswamy, V. (2004). *The future of competition: Co-creating unique value with customers*: Harvard Business Press.
- Prakash, A. (2002). Beyond Seattle: globalization, the nonmarket environment and corporate strategy. *Review of International Political Economy*, 9(3), 513-537.
- Prescott, D., & Nelson, J. (2003). *Business and the Millennium Development Goals: A framework for action*. UK: United Nations Development Programme.
- Preston, L. (1990) Corporate social policy and performance: A synthetic framework for research and analysis. In L. E. Preston (Ed.). *Corporation and society research: Studies in theory and measurement* (pp. 63-87). Greenwich: CT: JAI.
- Putnam, R. (2000). *Bowling alone*. New York: Simon & Schuster.
- Rabinow, P., & Sullivan, W. (1979). The interpretive turn: Emergence of an approach. In P. Rabinow & W. Sullivan (Eds.), *Interpretive social science* (pp. 1-21). Los Angeles: University of California Press.
- Ragodoo, N. (2009). CSR as a tool to fight against poverty: The case of Mauritius. *Social Responsibility Journal*, 5(1), 19-33.
- Ramani, S., & Mukherjee, V. (2014). Can breakthrough innovations serve the poor (bop) and create reputational (CSR) value? Indian case studies. *Technovation*, 34(5), 295-305.
- Ramani, S., Sadre Ghazi, S., & Duysters, G. (2009). Taking innovation to the poor: Lessons from sanitation activists in India (pp. 1-32). Netherlands: Maastricht University.

- Rashid, A., & Rahman, M. (2009). Making Profit to Solve Development Problems: The case of Telenor AS and the Village Phone Programme in Bangladesh. *Journal of Marketing Management*, 25(9-10), 1049-1060.
- Ray, S., & Kanta Ray, P. (2011). Product Innovation for the People's Car in an Emerging Economy. *Technovation*, 31(5), 216-227.
- Reardon, T., Barrett, C., Berdegue, J., & Swinnen, J. (2009). Agrifood Industry Transformation and Small Farmers in Developing Countries. *World development*, 37(11), 1717-1727.
- Reay, T., & Hinings, C. R. (2009). Managing the rivalry of competing institutional logics. *Organization Studies*, 30(6), 629-652.
- Reed, L., Getz, K., Collins, D., Oberman, W., & Toy, R. (1990) Theoretical models and empirical results: A review and synthesis of JAI volumes 1-10. In L. E. Preston (Ed.). *Corporation and society research: Studies in theory and measurement* (pp. 27-62). Greenwich: CT: JAI.
- Reficco, E., & Marquez, P. (2009) *Socially Inclusive Networks for Building BOP Markets*. Business & Society, first published on March 27, 2009. Retrieved 11.10.2011, from <http://bas.sagepub.com/cgi/rapidpdf/0007650309332353v1>.
- Ridley-Duff, R. (2006). Social enterprise as a socially rational business. *International Journal of Entrepreneurial Behaviour & Research*, 14(5), 291-312.
- Rivera-Santos, M., & Rufin, C. (2010). Global village vs. small town: Understanding networks at the Base of the Pyramid. *International Business Review*, 19(2), 126-139.
- Robson, C. (2002). *Real World Research* (2 ed.). Oxford: Basil Blackwell.
- Rondinelli, D., & London, T. (2003). How corporations and environmental groups cooperate: Assessing cross-sector alliances and collaborations. *The Academy of Management Executive*, 17(1), 61-76.
- Rowan, B., & Meyer, J. (1977). Institutionalized Organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83, 340-363.
- Rowan, B., & Meyer, J. (1991). Institutional organizations: Formal structure as myth and ceremony. In W.W. Powell & P.J. DiMaggio (Eds) *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press (pp. 41-62).
- Rumelt, R. (1974). *Strategy, structure, and economic performance*. Boston: Harvard Business School, Division of Research.
- Rumelt, R. (1984). Toward a strategic theory of the firm. In R.Lamb (Ed.) *Competitive Strategic Management* (pp. 556-570). Englewood Cliffs, NJ: Prentice Hall.
- Rushton, K. (2002) Business Ethics: A sustainable approach. Vol. 11 (pp. 137-139). Blackwell Publishers Ltd, UK.
- Sackmann, S. (1991). *Cultural Knowledge in Organizations*. Newbury Park, CA: Sage.
- Sagawa, S., & Segal, A. (2000). Common interest, common good: Creating value through business and social sector partnership. *California Management Review*, 42(2), 105-122.
- Sambamurthy, V., & Subramani, M. (2005). Special issue on information technologies and knowledge management. *MIS Quarterly*, 29(1), 1-7.
- Sanchez, P., Ricart, J., & Rodriguez, M. (2007). Influential factors in becoming socially embedded in low-income markets. *Greener Management International*, 51, 19-38.
- Santos, F. (2012). A positive theory of social entrepreneurship. *Journal of Business Ethics*, 111(3), 335-351.
- Sapienza, H., & Gupta, A. (1994). Impact of agency risks and task uncertainty on venture capitalist-CEO interaction. *Academy of Management Journal*, 37(6), 1618-1632.
- Sarantakos, S. (2005). *Social Research* (3 ed.). New York: Palgrave Macmillan.
- Schafer, C., Parks, R., & Rai, R. (2011). *Design for Emerging Bottom of the Pyramid Markets: A Product Service System (PSS) Based Approach*. Paper presented at the ASME 2011 International Design Engineering Technical Conferences & Computers and Information in Engineering Conference, IDETC/CIE 2011, Washington, DC., USA.
- Schoonhoven, C. (1981). Problems with contingency theory: testing assumptions hidden within the language of contingency" theory". *Administrative Science Quarterly*, 26, 349-377.
- Schrader, C., Freimann, J., & Seuring, S. (2012). Business strategy at the base of the pyramid. *Business Strategy and the Environment*, 21(5), 281-298.
- Schuster, T., & Holtbrügge, D. (2012). Market Entry of Multinational Companies in Markets at the Bottom of the Pyramid: A learning perspective. *International Business Review*, 21(5), 817-830.

- Schwandt, T. (1994). Constructivist, interpretivist approaches to human inquiry. In N.K. Denzin & Y. S. Lincoln (Eds.) *Handbook of qualitative research* (pp. 118-137). Thousand Oaks, CA: Sage.
- Scott, W. R. (1987). The adolescence of institutional theory. *Administrative Science Quarterly*, 493-511.
- Scott, W. R. (1991) Unpacking institutional arguments. In P. J. DiMaggio & W. W. Powell (Eds.). *The new institutionalism in organizational analysis* (pp. 164-182). Chicargo: University of Chicargo Press.
- Scott, W. R. (1992). *Organizations: Rational, Natural, and Open Systems*. Upper Saddle River, N.J.: Prentice Hall.
- Scott, W. R. (1995). *Institutions and Organizations*. Thousand Oaks, CA: Sage Publications.
- Scott, W. R. (2008). *Institutions and organizations: Ideas and interests*. Thousand Oaks, CA: Sage Publications.
- Seelos, C., Ganly, K., & Mair, J. (2005). Social entrepreneurs directly contribute to global development goals. *Occasional Paper: OP-05-14-E, IESE Business School, University of Navarra, Barcelona*.
- Seelos, C., & Mair, J. (2004) Social Entrepreneurship: The contribution of individual entrepreneurs to sustainable development. *IESE Business Scholol, Working Paper 553*. University of Navarra, Barcelona, Spain.
- Seelos, C., & Mair, J. (2005). *Sustainable Development: How Social Entrepreneurs Make it Happen*. University of Navarra. Barcelona, Spain.
- Seelos, C., & Mair, J. (2007a). Profitable Business Models and Market Creation in the Context of Deep Poverty: A Strategic View. *The Academy of Management Perspectives (formerly The Academy of Management Executive)(AMP)*, 21(4), 49-63.
- Seelos, C., & Mair, J. (2007b). Profitable Business Models and Market Creation in the Context of Deep Poverty: A strategic view. *The academy of management perspectives*, 21(4), 49-63.
- Segel, A., Meghji, N., & Garcia-Cuellar, R. (2007). Patrimonio Hoy: A Groundbreaking Corporate Program to Alleviate Mexico's Housing Crisis'. In J. Q. in V. K. Rangan, G. Herrero and B. Barton (Ed.), *Business Solutions for the Global Poor* (pp. 155-166). Jossey-Bass, San Francisco.
- Selznick, P. (1957). *Leadership in administration: A sociological interpretation*. New York: Harper & Row.
- Selznick, P. (1996). Institutionalism" Old" and" New". *Administrative Science Quarterly*, 270-277.
- Senge, P. (1990). *The Fifth Discipline: The art and practice of the learning organization*. New York: Doubleday.
- Shah, K. (2011). Organizational legitimacy and the strategic bridging ability of green alliances. *Business Strategy and the Environment*, 20(8), 498-511.
- Shamir, R. (2004). The de-radicalization of corporate social responsibility. *Critical Sociology*, 30(3), 669-689.
- Shan, W., Walker, G., & Kogut, B. (1994). Interfirm co-operation and startup innovation in the biotechnology industry. *Strategic Management Journal*, 15(5), 129-139.
- Shane, S. (2003). *A general theory of entrepreneurship: The individual-opportunity nexus*: Edward Elgar Publishing, Northampton, MA.
- Sharma, S., Vredenburg, H., & Westley, F. (1994). Strategic bridging: A role for the multinational corporation in Third World development. *The Journal of Applied Behavioral Science*, 30(4), 458-476.
- Shaw, R., & Perkins, D. (1991). Teaching Organizations to Learn *Organization Development Journal*, 9 (Winter), 1-12.
- Short, J., Moss, T., & Lumpkin, G. (2009). Research in Social Entrepreneurship: Past contributions and future opportunities. *Strategic entrepreneurship journal*, 3(2), 161-194.
- Silverthorne, S. (2007). Business and the Global Poor. *Harvard Business School Working Knowledge Series: Cambridge, MA*.
- Silvestre, B., & Neto, R. (2014). Capability accumulation, innovation, and technology diffusion: Lessons from a Base of the Pyramid cluster. *Technovation*, 34(5), 270-283.
- Simanis, E., & Hart, S. (2006). Expanding Possibilities at the Base of the Pyramid. *Innovations: Technology, Governance, Globalization*, 1(1), 43-51.
- Simanis, E., & Hart, S. (2008a). The Base of the Pyramid Protocol: Beyond "Basic Needs" Business Strategies. *Innovations: Technology, Governance, Globalization*, 3(1), 57-84.
- Simanis, E., & Hart, S. (2008b). The Base of the Pyramid Protocol: Toward next generation BoP strategy. Ithaca, NY: Center for Sustainable Global Enterprise, Johnson School of Management, Cornell University.

- Simons, H. (2009). *Case study research in practice*. Thousand Oaks, California: Sage Publications Limited.
- Singh, R. (2001). A comment on developing the field of entrepreneurship through the study of opportunity recognition and exploitation. *The Academy of Management Review*, 26(1), 10-12.
- Sinkula, J. (1994). Market Information Processing and Organizational Learning. *Journal of Marketing*, 58 (January), 35-45.
- Sinkula, J., Baker, W., & Noordewier, T. (1997). A Framework for Market-Based Organizational Learning: Linking values, knowledge, and behavior. *Journal of the Academy of Marketing Science*, 25(4), 305-318.
- Sirmon, D., Hitt, M., & Ireland, R. (2007). Managing Firm Resources in Dynamic Environments to Create Value: Looking inside the black box. *Academy of Management Review*, 32(1), 273-292.
- Slater, S. F., & Narver, J. C. (1995). Market orientation and the learning organization. *The Journal of Marketing*, 59(3), 63-74.
- Smedley, B., & Syme, S. (2001). Promoting health: Intervention strategies from social and behavioral research. *American Journal of Health Promotion*, 15, 149-166.
- Smith, C. (2007) *Design for the other 90%*. New York: Cooper-Hewitt, National Design Museum.
- Smith, L. (1978). An evolving logic of participant observation, educational ethnography, and other case studies. *Review of research in education*, 6, 316-377.
- Smith, N. (2003). Corporate social responsibility: whether or how? *California Management Review*, 45(4), 52-76.
- Smyrnios, K. X., Schultz, C. L., Smyrnios, S. M., & Kirkby, R. J. (1986). Values: A pervasive issue in psychotherapy research. *Australian Journal of Sex, Marriage & Family*.
- Stake, R. (1994). Case studies. In N. K. Denzin & Y. S. Lincoln (Eds.) *Handbook of qualitative research* (pp. 236-247). Thousand Oaks, CA: Sage.
- Stake, R. (1995). *The Art of Case Study Research*. Thousand Oaks, CA: Sage.
- Suddaby, R. (2010). Challenges for institutional theory. *Journal of Management Inquiry*, 19(1), 14-20.
- Taber, K. (2000). Case studies and generalizability: Grounded theory and research in science education. *International Journal of Science Education*, 22(5), 469-487.
- Tan, N. (2004). Social entrepreneurship: Challenge for social work in a changing world. *Asia Pacific Journal of Social Work and Development*, 14(2), 87-98.
- Tashman, P., & Marano, V. (2010). Dynamic capabilities and base of the pyramid business strategies. *Journal of Business Ethics*, 89(4), 495-514.
- Teece, D., & Pisano, G. (1994). The dynamic capabilities of firms: an introduction. *Industrial and corporate change*, 3(3), 537-556.
- Teece, D., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.
- Thibaut, J., & Walker, L. (1978). A theory of procedure. . *California Law Review*, 66, 541-566.
- Thompson, J., Alvy, G., & Lees, A. (2000). Social Entrepreneurship: A new look at the people and the potential. *Management Decision*, 5(6), 328-338.
- Thompson, J., & Doherty, B. (2006). The diverse world of social enterprise: A collection of social enterprise stories. *International Journal of Social Economics*, 33(5/6), 361-375.
- Thornton, P., Ocasio, W., & Lounsbury, M. (2012). *The institutional logics perspective: A new approach to culture, structure, and process*. Oxford: Oxford University Press.
- Tobin, D. (1993). *Re-Educating the Corporation: Foundations for the Learning Organization*. Essex Junction, VT: Oliver Wright.
- Todeva, E., & Knoke, D. (2005) Strategic alliances and models of collaboration. Vol. 43,(1). *Management Decision* (pp. 123-148). UK: University of Surrey.
- Torres, R., & Momsen, J. (2004) Challenges and potential for linking tourism and agriculture to achieve pro-poor tourism objectives. Vol. *Progress in Development Studies* 4 (pp. 294-318). US: University of California.
- Travers, M. (2001). *Qualitative research through case studies*: Sage.
- Trepte, S. (2011). Social identity theory *Psychology of entertainment* (pp. 255-271). New York: Routledge.
- Trochim, W. (2000). *The research methods knowledge base*. Retrieved from Retrieved November 13, 2003, from <http://www.socialsciencemethods.net/kb/>
- Tsai, W. (2002). Social structure of “coopetition” within a multiunit organization: Coordination, competition, and intraorganizational knowledge sharing. *Organization Science*, 13(2), 179-190.

- Turnbal, M. (2011). *Agility Logistics Australia*. Melbourne, Australia.
- Turner. (1981). Some Practical Aspects of Qualitative Data Analysis: One way of organising the cognitive process associated with the generation of grounded theory. *Elsevier Scientific Publishing, Amsterdam, 15*, 225-247.
- UNDP. (2007). *A Partnership for Nation Building*. Port Moresby, PNG: United Nations in Papua New Guinea.
- United Nations. (2000). Goal 3: Promote Gender Equality and Empower Women. 2011, from <http://www.un.org/millenniumgoals/gender.shtml>
- United Nations. (2003). Indicators for monitoring the Millennium Development Goals. New York, USA: United Nations.
- United Nations. (2011). *The Millennium Development Goals Report 2011*. New York, US: United Nations.
- United Nations. (2013). *The Millennium Development Goals Report 2013*. New York: United Nations Retrieved from <http://www.un.org/millenniumgoals/pdf/report-2013/mdg-report-2013-english.pdf>.
- United Nations Development Programme. (2006). Millennium Development Goals. Retrieved October 12th, 2009, from <http://www.undp.org/mdg/goal1.shtml>
- United Nations Development Programme. (2008). *Creating Value For All: Strategies for Doing Business With the Poor*. New York: United Nations.
- United Nations Development Programme. (2013). Fast Facts: United Nations Development Programme. Retrieved February 17, 2014, from http://www.undp.org/content/undp/en/home/librarypage/results/fast_facts/poverty-reduction/
- Van de Ven, A., & Drazin, R. (1984). The Concept of Fit in Contingency Theory: DTIC Document.
- Van de Ven, A., Ganco, M., & Hinings, C. (2013). Returning to the Frontier of Contingency Theory of Organizational and Institutional Designs. *The Academy of Management Annals*, 7(1), 393-440.
- Virmani, A. (2006). Poverty and hunger in India: what is needed to eliminate them *Working Paper No. 1/2006-PC*. Planning Commission: The Government of India.
- Viswanathan, M., & Sridharan, S. (2012). Product Development for the BoP: Insights on Concept and Prototype Development from University-Based Student Projects in India. *Journal of Product Innovation Management*, 29(1), 52-69.
- Von Krogh, G. (1998). Care in Knowledge Creation. *California Management Review*, 40(3), 133-153.
- Voss, C., Tsikriktsis, N., & Frohlich, M. (2002). Case research in operations management. *International Journal of Operations & Production Management*, 22(2), 195-219.
- Waddock, S. (1988). Building successful partnerships. *Sloan Management Review*, 29(4), 17-23.
- Wallace, S. (1999). Social entrepreneurship: The role of social purpose enterprises in facilitating community economic development. *Journal of Developmental Entrepreneurship*, 4(2), 153-174.
- Warner, M., & Sullivan, R. (2004). *Putting partnerships to work: Strategic alliances for development between government, the private sector and civil society*. Sheffield, UK: Greenleaf Publishing Limited.
- Wartick, S., & Mahon, J. (1994). Toward a substantive definition of the corporate issue construct: A review and synthesis of the literature. *Business & Society*, 33(3), 293-311.
- Washington, M., Boal, K., & Davis, J. (2008). Institutional Leadership: Past, present, and future. *The Sage handbook of organizational institutionalism*, 721-735.
- Webb, J., Kistruck, G., Ireland, R., & Ketchen Jr, D. (2010). The entrepreneurship process in base of the pyramid markets: The case of multinational enterprise/nongovernment organization alliances. *Entrepreneurship Theory and Practice*, 34(3), 555-581.
- Weick, K. E. (1979). *The social psychology of organizing* (Vol. 2): MA: Addison-Wesley.
- Wenger, E. (1998). *Communities of practice: Learning, meaning, and identity*. Cambridge: Cambridge University Press.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171-180.
- Westley, F., & Vredenburg, H. (1991). Strategic bridging: The collaboration between environmentalists and business in the marketing of green products. *Journal of Applied Behavioral Science*, 27, 65-91.
- White, H. (1990). *The content of the form: Narrative discourse and historical representation*. Baltimore: Johns Hopkins University Press.
- Whitney, P., & Kelkar, A. (2004). Designing for the Base of the Pyramid. *Design Management Review*, 15(4), 41-47.

- Whittington, R. (2001). 'Learning to Strategise: Problems of practice'. SKOPE Research Paper 20. Oxford: University of Oxford.
- Wholey, D., & Brittain, J. (1986). Organizational Ecology: Findings and implications. *Academy of Management Review*, 11(3), 513-533.
- Wicks, D. (2001). Institutionalized mindsets of invulnerability: Differentiated institutional fields and the antecedents of organizational crisis. *Organization Studies*, 22(4), 659-692.
- Wieland, J. (2005). Corporate Governance, Values Management, and Standards: A European perspective. *Business & Society*, 44(1), 74-93.
- Wilson, C., & Wilson, P. (2006). *Make Poverty Business*. Sheffield, UK: Greenleaf Publishing Ltd.
- Winter, S. (2000). The satisficing principle in capability learning. *Strategic Management Journal*, 21(10-11), 981-996.
- Winter, S. (2003). Understanding dynamic capabilities. *Strategic Management Journal*, 24(10), 991-995.
- Wood, D. (1991). Corporate Social Performance Revisited. *Academy of Management Review*, 16(4), 691-718.
- World Business Council for Sustainable Development. (2004). *Doing business with the poor: a field guide*. (2-940240-54-X). Switzerland: World Business Council for Sustainable Development.
- Yaziji, M. (2004). Turning Gadflies into Allies. *Harvard Business Review*, 82(2), 110-115.
- Yin, R. (1981). The case study crisis: Some answers. *Administrative Science Quarterly*, 26(1), 58-65.
- Yin, R. (1994). *Case Study Research: Design and Methods*. Thousand Oaks, CA: 2nd edn. Sage Publications.
- Yin, R. (2003). *Case study research: Design and methods* (3rd ed. Vol. 5). Thousand Oaks, CA: Sage.
- Yunus, M. (1998). Poverty Alleviation: Is Economics Any Help? Lessons from the Grameen Bank Experience. *Journal of International Affairs*, 52(1), 47-48.
- Yunus, M. (2006). Social Business Entrepreneurs are the Solution *Paper presented at the Skoll World Forum on Social Entrepreneurship, Said Business School* (pp. 1-10). UK: Oxford University.
- Yunus, M. (2008). *Creating a world without poverty*. New York: PublicAffairs.
- Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, conceptualization, and extension. *Academy of Management Review*, 27, 185-203.
- Zahra, S. A., Rawhouser, H. N., Bhawe, N., Neubaum, D. O., & Hayton, J. C. (2008). Globalization of social entrepreneurship opportunities. *Strategic entrepreneurship journal*, 2(2), 117-131.
- Zajac, E., Kraatz, M., & Bresser, R. (2000). Modeling the Dynamics of Strategic Fit: A normative approach to strategic change. *Strategic Management Journal*, 21(4), 429-453.
- Zammuto, R. (1984). A comparison of multiple constituency models of organizational effectiveness. *Academy of Management Review*, 9(4), 606-616.

Appendix 1 - Interview Protocol for B4MD Executive Board Members

Learning Orientation
1. In your opinion, what if any can be learned by initiating relationships with poor indigenous farmers?
2. Were commercial strategies learned by Business for Millennium Development when consulting with indigenous farmers in designing a poverty mitigation project? What are they?
3. When you encountered uncertainty regarding design aspects with indigenous farmers and Australian multinational companies, how did you react?
Social Entrepreneurial Orientation
1. Why is Business for Millennium Development able to identifying social commercial opportunities better than entrepreneurial companies? How can you best illustrate this?
2. How does Business for Millennium Development ensure social development remains as its primary objective when dealing with profit-driven Australian multinational companies?
3. How does Business for Millennium Development look for ways to deliver social value to indigenous poor women farmers?
Research Question 1: How does a non-governmental organization (NGO) collaborate with a MNC in order to meet the UN first MDG, mitigating poverty?
1. As a social entrepreneurial organization, does Business for Millennium Development use a particular model to work with profit driven Australian multinational companies? What model/s are they?
2. What were the issues with convincing Australian multinational companies to agree to adopt a co-creative business model such as the Base of the Pyramid?
3. What were the issues with Australian multinational companies' preparedness to collaboratively work with Business for Millennium Development?
4. Why are Australian multinational companies interested in participating in a collaborative effort to mitigation poverty to poor women farmers in PNG?

5. What does Business for Millennium Development consider to be of benefit to Australian multinational companies participating in poverty mitigation, and other Millennium Development Goal ventures, in developing countries?
6. What benefits can Business for Millennium Development deliver to Australian multinational companies in a collaborative working relationship in developing countries?
Research Question 2: How does a MNC create value outcomes by co-creation and engaging with the poor with the explicit goal of progressing the poverty MDG ?
1. Has sourcing of produce from indigenous women farmers contributed positively to the newly and locally built poultry and horticultural company called HFP? How?
2. As suppliers of produce to HFP, are indigenous women farmers achieving social and economic benefits? How?
3. As farmers are majority shareholders of HFP, how are shareholder dividends helping indigenous women farmers achieve further social and economic prosperity?
4. HFP was designed in consultation with the Southern Highland community, has this process created opportunities such as enhanced trust and favorable knowledge acquisition? If so, where is this best illustrated?
5. Does Business for Millennium Development feel the co-creative process of HFP has assisted Australian multinational companies in benefiting as an equity partner of HFP? How?
6. In your opinion, does a co-creative business model culminate in greater beneficial gains when compared with the prospect of Australian multinational companies venturing and operating alone in developing countries? How?
7. How has the PNG southern highland province witnessed changed environmental conditions as a result of the HFP project?
Research Question 3: Utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between Social Business Enterprise, MNC, co-creation, and value outcomes?
1. In your opinion, is being locally embedded in a poor country, like HFP is built in the Southern Highland province of PNG, essential to embarking upon other potential poverty mitigating projects? Why?

2. Do you consider the development of a network of relationships in the Southern Highland province as a key capability to replication into other developing countries? Why?
3. Do you view the co-creation process of sourcing indigenous knowledge as a vital ingredient to any the successful design of a commercial poverty mitigation project such as HFP? Why?
4. Does Business for Millennium Development consider that your Base of the Pyramid commercial model has sufficiently enhanced the prospects of Australian multinational companies potentially pursuing other poverty mitigation ventures? Why and how?
5. Is there scope for inter-sectorial economies (other business sectors) to engage in the Papua New Guinea poverty mitigation project? How?
6. The PNG government utilizes a Medium Term Development Plan for attracting foreign direct investment into its country; how does Business for Millennium Development view this initiative?
7. Did business for Millennium Development consult with the PNG government about any aspect of the PNG southern highland poverty mitigation project? What were those aspects?
8. What can the PNG government do to further assist in helping the PNG Southern Highland poverty project?

Appendix 2 - Interview Protocol for Reverend Tim Costello (AO)

Learning Orientation
1. In your opinion, what can be learned by initiating relationships with poor indigenous farmers?
2. Were commercial strategies learned by Business for Millennium Development (B4MD) when consulting with indigenous farmers in designing a poverty mitigation project? What are they?
3. When you encountered uncertainty regarding design aspects with Australian multinational companies working with indigenous farmers, how did you react?
4. Why does B4MD adopt a co-creative approach to poverty mitigation and other social developments? How can you best illustrate this?
5. How has B4MD implemented new ways of creating social and economic value compared to traditional NGOs in achieving this?
6. How have you helped B4MD in facilitating poverty mitigation projects?
Social Entrepreneurship Orientation
1. Why is Business for Millennium Development able to identify social commercial opportunities better than entrepreneurial companies? How can you best illustrate this?
2. How does Business for Millennium Development ensure social development remains as its primary objective when dealing with profit-driven Australian multinational companies?
3. How does Business for Millennium Development look for ways to deliver social value to indigenous poor women farmers?
4. Why did you believe there was a need to establish B4MD?
5. What is your definition of social entrepreneurship and what drives it?
6. In designing a poverty mitigation project, which is the prevailing mindset of B4MD: (1) Social Opportunity Recognition or (2) an obligation to alleviate societal problems?

Research Question 1: How does a non-governmental organization (NGO) collaborate with a MNC in order to meet the UN first MDG, mitigating poverty?
1. As a social entrepreneurial organization, does Business for Millennium Development use a particular model to work with profit driven Australian multinational companies? What model/s are they?
2. What were the issues with convincing Australian multinational companies to agree to adopt a co-creative business model such as the Base of the Pyramid?
3. What were the issues with Australian multinational companies' preparedness to collaboratively work with Business for Millennium Development?
4. Why are Australian multinational companies interested in participating in a collaborative effort to mitigation poverty to poor women farmers in PNG?
5. What does Business for Millennium Development consider to be of benefit to Australian multinational companies participating in poverty mitigation, and other Millennium Development Goal ventures, in developing countries?
6. What benefits can Business for Millennium Development deliver to Australian multinational companies in a collaborative working relationship in developing countries?
Research Question 2: How does a MNC create value outcomes by co-creation and engaging with the poor with the explicit goal of progressing the poverty MDG ?
1. HFP was designed in consultation with the Southern Highland community, has this process created opportunities such as enhanced trust and favorable knowledge acquisition? If so, where is this best illustrated?
2. HFP was designed in consultation with the Southern Highland community, has this process created opportunities such as enhanced trust and favorable knowledge acquisition? If so, where is this best illustrated?
3. Does Business for Millennium Development feel the co-creative process of HFP has assisted Australian multinational companies in benefiting as an equity partner of HFP? How?
4. In your opinion, does a co-creative business model culminate in greater beneficial gains when compared with the prospect of Australian multinational companies venturing and operating alone in developing countries? How?

Research Question 3: Utilizing a BoP approach, what are the key facets of a Social Business Enterprise model that explains the interconnectivity between Social Business Enterprise, MNC, co-creation, and value outcomes?
1. In your opinion, is being locally embedded in a poor country, like HFP is built in the Southern Highland province of PNG, essential to embarking upon other potential poverty mitigating projects? Why?
2. Do you consider the development of a network of relationships in the Southern Highland province as a key capability to replication into other developing countries? Why?
3. Do you view the co-creation process of sourcing indigenous knowledge as a vital ingredient to any the successful design of a commercial poverty mitigation project such as HFP? Why?
4. Does Business for Millennium Development consider that your Base of the Pyramid commercial model has sufficiently enhanced the prospects of Australian multinational companies potentially pursuing other poverty mitigation ventures? Why and how?
5. What can the PNG government do to further assist in helping the PNG Southern Highland poverty project?

Appendix 3 - Consent Form

RMIT BUSINESS COLLEGE HUMAN ETHICS ADVISORY NETWORK

Prescribed Consent Form for Persons Participating In Research Projects Involving Interviews, Questionnaires, Focus Groups or Disclosure of Personal Information

COLLEGE OF Business
SCHOOL/CENTRE OF Management
Name of Participant: Business for Millennium Development
Project Title: Use of the Base of the Pyramid (BoP) to achieve the United Nations Millennium Development Poverty Goal: A case study on the Business for Millennium Development PNG Southern Highlands poverty project

Name(s) of Investigators: (1) Rod Casticum Phone: 0434 524 034
(2) _____ Phone: _____

1. I have received a statement explaining the interview/questionnaire involved in this project.
2. I consent to participate in the above project, the particulars of which - including details of the interviews or questionnaires - have been explained to me.
3. I authorise the investigator or his or her assistant to interview me or administer a questionnaire.
4. I give my permission to be audio taped: ☐ Yes ☐ No
5. I give my permission for my name or identity to be used: ☐ Yes ☐ No
6. I acknowledge that:
 - (a) Having read the Plain Language Statement, I agree to the general purpose, methods and demands of the study.
 - (b) I have been informed that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied.
 - (c) The project is for the purpose of research and/or teaching. It may not be of direct benefit to me.
 - (d) The privacy of the information I provide will be safeguarded. However should information of a private nature need to be disclosed for moral, clinical or legal reasons, I will be given an opportunity to negotiate the terms of this disclosure.
If I participate in a focus group I understand that whilst all participants will be asked to keep the conversation confidential, the researcher cannot guarantee that other participants will do this.
 - (e) The security of the research data is assured during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to _____ (researcher to specify). Any information which may be used to identify me will not be used unless I have given my permission (see point 5).

Participants Consent

Name: _____ Date: _____
(Participant)

Name: _____ Date: _____
(Witness to signature)

Where participant is under 18 years of age:

I consent to the participation of _____ in the above project.

Signature: (1) _____ (2) _____ Date: _____
(Signatures of parents or guardians)

Name: _____ Date: _____
(Witness to signature)

Participants should be given a photocopy of this consent form after it has been signed.

Any complaints about your participation in this project may be directed to the Chair, Business College Human Ethics Advisory Network, College of Business, RMIT, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 5598 or email address rdu@rmit.edu.au. Details of the complaints procedure are available from <http://www.rmit.edu.au/browse:ID=2jqrn7hnpyo>



College of Business

Plain Language Statement

Dear: Business for Millennium Development

You are invited to participate in a research project being conducted by RMIT University. This information sheet describes the project in straightforward language, or 'plain English'. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask one of the investigators.

Who is involved in this research project? Why is it being conducted?

In this section, you should:

This research is being conducted by Rod Castricum, as part of his PhD project. All students are required to have an academic staff member as a supervisor. His primary supervisor is Professor Kosmas Smyrnios, from the College of Business. The second supervisor is Doctor Caroline Swee lin Tan, from the College of Business. This thesis has been approved by the RMIT Business College Human Ethics Advisory Network, also by Non-Government Organisation, Business for Millennium Development

Why have you been approached?

Business for Millennium Development has been approached due to its commitment to the Papua New Guinea Southern Highland Produce (SHP) poverty project. Business for Millennium Development is recognised as the project designer of SHP, is the catalyst and facilitator of the project, and also ensures the process of women empowerment and development is kept active by way of Base of the Pyramid strategies.

What is the project about? What are the questions being addressed?

- This research examines the Business for Millennium Development poverty mitigation project located in the Southern Highlands province of Papua New Guinea, in the objective of achieving the United Nations Millennium Development Goals. The research is intended to answer research questions: (1) can NGOs - Business for Millennium Development - work with multinational companies, utilising a market-based model, in ways that achieve the United Nations first Millennium Development Goal: mitigating poverty?; (2) does a market-based model create mutual value for multinational companies and the poor?; and (3) can a market-based model achieve replication?

If I agree to participate, what will I be required to do?

- As an agreed participant, what is required is to respond to a series of twenty to twenty five interview questions which strategically answer the three research questions mentioned above, to be conducted within 1.5 to 2 hour duration. The interview will be recorded for analysis with the individuals permission, and that they have the right to request that the audio tapping be ceased at any stage.

What are the risks or disadvantages associated with participation?

If you are unduly concerned about your responses to any of the questions or if you find participation in the project distressing, you should contact Professor Kosmas Smyrnios as soon as convenient on phone: 03 9925 1633, Email: Kosmas.Smyrnios@rmit.edu.au or Dr Caroline Tan, 03 9925 1503, Email: Caroline.Tan@rmit.edu.au. They will discuss your concerns with you confidentially and suggest appropriate follow-up, if necessary. You also have the option of contacting the Secretary of the Ethics Committee.

What are the benefits associated with participation?

Participation in this research will allow you to evaluate the conceptual market-based poverty model for yourself and perhaps build on its positive aspects. Your contribution will also help provide a better understanding of market-based poverty models, and hence, help people to improve in its current content, if needed.

What will happen to the information I provide?

With permission of Business for Millennium Development and of the organisation's individual participants, participants will be identified on audio tape, transcript and resulting publications. If participants do not want to be identified, their individual responses will be kept confidential and pseudonyms will be used to protect their identity and resulting publications. Any information that you provide can be disclosed only if (1) it is to protect you or others from harm, (2) a court order is produced, or (3) you provide the researchers with written permission. The results of the research will appear in academic papers for publication or for a conference, and a thesis.

All information collected throughout this study will be kept securely in a locked cupboard, where only the principle researcher will have access to it. This information will be destroyed five years after completion of the project – paper records will be shredded and placed in a security recycle bin and electronic data will be deleted/destroyed in a secure manner. All hard data will be kept in a secured cabinet and soft data in a password protected computer in the office of the Investigator in the School concerned (College of Business; School of Management) at RMIT University. Data will be saved on the University Network System where practicable as the system provides a high level of manageable security and data integrity, can provide secure remote access, and is backed up on a regular basis. All electronic data will be stored in secure folders (e.g. Password protected or hidden folders with a selected user group). Only the Investigator/s will have access to the data.

What are my rights as a participant?

Your participation in this program is completely voluntary. You have the right to access unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk as a participant. Please note that you can withdraw from the project at any time. If you do choose to withdraw, all unprocessed information obtained from you will not be used.

Whom should I contact if I have any questions?

If you have any questions, please contact Rod Castricum, via email, on

Yours Sincerely

Rod Castricum
PhD Student
Business Portfolio
RMIT University

Any complaints about your participation in this project may be directed to the Chair, Business College Human Ethics Advisory Network, College of Business, RMIT, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 5598 or email address rdu@rmit.edu.au. Details of the complaints procedure are available from <http://www.rmit.edu.au/browse:ID=2jqrn7hnpyo>

As a footer:

Version # 1, 26/9/'04, Page 4 of 4